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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Bush, Gorbachev Discuss Soviet Developments

OW1412060891 Beijing XINHUA in English
0433 GMT 14 Dec 91

[Text] Moscow, December 13 (XINHUA)—U.S. President George Bush telephoned Soviet President Mikhail Gorbachev tonight to acquaint himself with the developments in the Soviet Union, according to TASS news agency.

During the telephone conversation, Gorbachev elaborated on his views on domestic events and his proposals for resolving the country's major issues.

He said that his task was to keep the transitional process developing within the constitutional framework and without conflicts.

Gorbachev believed that besides positive factors, the decisions relating to the agreement on the Commonwealth of Independent States had many problems yet to emerge.

He noted that even the signatories to the agreement were not quite clear how to build its mechanism, bring into play its role, and how to deal with the relations among its members.

The two Presidents agreed to keep frequent contacts in an effort to exchange information and views on the Soviet situation.

Reportage Previews Baker's Soviet Visit

To View Nuclear Safety, Aid

OW1412012591 Beijing XINHUA in English
2319 GMT 13 Dec 91

[Text] Washington, December 13 (XINHUA)—U.S. Secretary of State James Baker said today that his upcoming trip to the Soviet Union will focus on the safety of Soviet nuclear weapons and the Western assistance to the Soviets.

Baker, who will leave here tomorrow and will visit Moscow, Kiev, Minsk and other Soviet cities, said that trip will be "focusing on nuclear weapons control, safety, security and elimination."

It will also explore how the Western assistance can reach effectively to those who most need it and what kinds of "Western manpower and expertise" will be most useful to the Soviets, Baker said.

Baker's trip was announced early this month when Ukraine voted overwhelmingly for independence from the Soviet Union. While it is ready to recognize the breakup of the Soviet Union, the Bush administration has been worried about the status of its nearly 30,000 nuclear weapons.

"We're going to be looking for a reaffirmation of assurances that we have already been given" over the safety of Soviet nuclear arsenals, Baker said, "we are going to be

seeking to determine if final arrangements and agreements have been entered into and made."

"We have not seen any changes in command and control that alarm us, but we do have a national interest, national security interest, in seeing that these transformations take place in a manner that does not increase the risk from a nuclear standpoint," Baker said.

He also reported that Russian President Boris Yeltsin telephoned George Bush this morning to give the U.S. President an update on the status of the Commonwealth that Russia, Ukraine and Belarus created to replace the central Soviet government.

Yeltsin sounded "reassuring" to Bush and said that he expected other Soviet republics would be joining in the Commonwealth agreement, Baker said.

Baker To Bring Nuclear Proposals

OW1512125691 Beijing XINHUA in English
1248 GMT 15 Dec 91

[Text] London, December 15 (XINHUA)—U.S. Secretary of State James Baker said early today he had specific proposals to ensure the security of the 27,000 Soviet nuclear weapons. He made these remarks to reporters on his flight from Washington to Ireland for refueling before heading on to Moscow for a four-day visit to see the changing situation there.

Baker said, "We will be making some suggestions...about ways in which we can cooperate with them to take steps to be certain that we have safe and secure and responsible control of nuclear weapons."

Baker is due to meet Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin on Monday. He also plans to visit the four republics with nuclear weapons deployed on their territory—Russia, Ukraine, Belarus and Kazakhstan.

Washington has urged the republics to become nuclear-free and ensure a united command and control system for their nuclear arsenal.

Baker Begins Visit, Views Aid With Kozyrev

OW1612051891 Beijing XINHUA in English
0328 GMT 16 Dec 91

[Text] Moscow, December 15 (XINHUA)—United States Secretary of State James Baker said here tonight Washington was prepared to provide large scale aid to the newly emerged Commonwealth of Independent States, the TASS news agency reported.

Reports said that during a one and a half hour meeting with Russian Foreign Minister Andrey Kozyrev, Baker said aid to the Commonwealth would be conditional on guarantees concerning the stability and security of its members and its foreign policy.

Kozyrev referred to Washington's diplomatic acknowledgment of the Russian Federation's breakaway from the Soviet Union.

The two sides also focused attention on nuclear arms control.

Baker expressed "understanding" of the stand taken by the Russian minister of the unified command of Soviet nuclear arms, and told him Washington was prepared to help eliminate Soviet nuclear weapons.

It was reported that Baker also held an unofficial meeting with Soviet Foreign Minister Eduard Shevardnadze this evening.

Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin are expected to meet Baker tomorrow.

The U.S. secretary of state arrived here this afternoon for a four-day working visit.

United States & Canada

XINHUA Suggests 'Major' U.S. Policy Changes

OW1612013091 Beijing XINHUA Domestic Service
in Chinese 0649 GMT 14 Dec 91

[“Roundup by reporter He Dalong (0149 1129 7127): ‘Isolationism’ or ‘Globalism?’”—XINHUA headline]

[Text] Washington, 13 December (XINHUA)—Since the beginning of the summer a large-scale debate on the objectives of future U.S. foreign policy has been unfolding in the United States. One faction in the debate maintains that the United States should return to “isolationism” now that the “cold war” has ended, while another says the United States should continue to uphold “globalism”. Still another contends that the United States should take the middle course—“selectively” undertaking certain “global obligations”. The scope of the debate extends to political, economic, military, foreign relations, and other fields. Even President Bush and other important political figures have been involved in the debate.

In the past summer and fall, William Hyland, chief editor of the U.S. quarterly “FOREIGN AFFAIRS”; Petersen, former U.S. secretary of commerce; and (Allen Toneison) of the Institute of Economic Strategy, published their study reports or theses saying “Foreign forces currently threatening the United States are at their weakest ever.... However, threats to U.S. domestic prosperity are the most serious since the Great Depression.”

Patrick Buchanan, speech writer for former U.S. Presidents Nixon and Reagan, hanged high the flag of conservatism, saying: “Our war—the cold war—has ended; it is time for the United States to go home.” He declared in December that he will participate in the 1992 presidential election campaign, saying the United States should

give priority to U.S. interests in conducting world affairs in the future. He specifically called for troop withdrawals from South Korea and Europe, an end to all aid to foreign countries, the curtailment of immigrants, and trade protectionism. His advocacy was termed “New Isolationism” by the media.

In contrast to Buchanan and those holding similar opinions, President Bush insists on “globalism.” Earlier this year he put forward the objective of U.S. foreign policy—winning the Gulf war and establishing a “new world order in the post-cold war era.” In August he published an article entitled “U.S. National Security Strategy” in which he systematically expounded his global strategy and called for “establishing a new international system according to U.S. values and ideals.”

On 7 December, on the 50th anniversary of the Pearl Harbor incident, President Bush counterattacked against “isolationism”. He expressly pointed out that “isolationism” invited the bombing of the United States 50 years ago. Now some argue that turning away from world affairs will greatly improve the domestic situation. This is to forget the bitter lessons of the 20th century. Secretary of State James Baker also contends that the United States is currently the “only superpower” which shoulders such heavy responsibilities as making the Soviet Union “evolute peacefully,” bringing about peace to the Middle East, and establishing a free trade system of the world. It has no way to retreat.

The current debate in the United States has a deep-seated background; it reflects the reality that U.S. national strength has declined. The U.S. national debt currently amounts to \$3 trillion, and the federal government's deficit is expected to exceed \$350 billion next year. The U.S. economy is still in a recession; its growth in actual per capita income and per capita savings and its educational level are the lowest among the seven Western countries; compared with Germany, Japan, and other industrialized countries, its economic strength has declined; it has a host of economic and social problems, problems in such fields as industrial investment, employment, education, medical care, crime, and drug abuse. It is in this background that Buchanan and other people have called for the United States to properly manage its domestic affairs after the “cold war.” Their call has drawn strong responses from among the American voters.

Former U.S. Secretary of State Kissinger and former U.S. National Security Adviser Brzezinski, however, pointed out that, in the current situation, the perception that the United States will be able to solve all domestic and foreign problems once it retreats to “isolationism” or if it works to promote “human right” and “democracy” is wrong. Kissinger pointed out: The Gulf war marks the honorable ending of the Cold War world; however, it does not signify the beginning of an era of American rule. He said: In the future, economic strength, like military strength, will become an important part of a nation's overall strength. New centers of power are

emerging in Asia and Europe; the future world will be a six-pole—the United States, Europe, China, Japan, the Soviet Union, and India—world. For this reason, Kissinger holds that, in the future, the United States should make global strategic readjustment and drawdown; decide on a stricter order of the importance and priority of its tasks; and decide on what must be done, what can be done, and what will overwhelm it.

Brzezinski said: In the future, the United States can only rely on "regional cooperation" in ensuring world security, in which the United States itself will undertake "selected and appropriate obligations." This is a "wise move"; it not only will enable us to show our presence in important regions of the world, but also will direct more of our attention to restoring domestic prosperity. This is necessary to maintain our global position.

Through this great debate, we can see that the United States today is no longer the United States of the past—it no longer has the ability to practice "globalism." Next year will be the U.S. presidential election year. Considering U.S. domestic political and economic factors, voters' attitude, and other factors, it is imperative for the U.S. Government to make major adjustments to its foreign policy.

Bush on U.S. Recognition of Yugoslav Republics

OW1612030591 Beijing XINHUA in English
2347 GMT 15 Dec 91

[Text] Washington, December 15 (XINHUA)—President George Bush said today that the United States would "go slow" on the recognition of two runaway Yugoslav republics.

Asked about reports that Germany is ready to recognize the independence of Croatia and Slovenia, Bush said that "we've been strongly supportive of the EC, (and) what the UN has tried to do."

"Their advice has been to go slow on recognition and I think they're right," Bush said, "we think the situation is in so much consternation there, so fraught with danger, that we fully accept" their recommendation.

Bush also shied away from a question about the recognition of Russia, only saying that "things are in a state of change there, and so we're following it very, very closely."

But Lawrence Eagleburger, interviewed by ABC "This Week," said that the United States will eventually send ambassadors to a number of Soviet republics as the union disintegrates.

"I think there is little question we will end up sending an ambassador to Ukraine. We will send one probably to Belarus and so forth," he said.

Bush Promises Local Aid, Promotes Economic Plan

OW1312225191 Beijing XINHUA in English
2052 GMT 13 Dec 91

[Text] Washington, December 13 (XINHUA)—President Bush said today that the economic-growth package he sends Congress next month will include 15 billion dollars in block grants for local governments "with no strings attached."

Bush, in a video hookup, told the nation's mayors that he wants to sit down with them and other local officials to discuss the hard times that are affecting many of the cities in the United States.

Bush has been under increasing pressure to work out pro-growth measures, chiefly tax cuts, to stoke the faltering economy. Analysts said Bush's chances of being reelected as the president next year depends largely on the state of the economy.

The President told a meeting of the National League of Cities in Las Vegas that the block-grant proposal was "about finished."

"It will be part of our overall economic package," he said.

The Bush administration is putting together a package of tax cuts and other growth incentives that bust will announce in his state of the union address on January 28.

"These are tough times", Bush told the mayors, "an unsatisfactory number of people are out of work."

"A lot of people are worried," he added. "The confidence is not there. I understand all that."

The nation's unemployment rate remained at 6.8 percent in november and the jobless numbered 8.5 million. A survey by the New York-based conference board showed that the consumer confidence in November plunged to its lowest level since 1980.

Bush disclosed the proposal for grants to cities in response to a question from Indianapolis Mayor William Hudnut, a Republican.

Hudnut told Bush that many of the nation's central cities and small towns were facing "financial distress." He asked Bush to consider "direct assistance" to cities and towns.

Bush said he would have a "substantial grant program that will go out there without strings attached" that would total about 15 billion dollars.

U.S. Welcomes Korean Nonaggression Pact

OW1412060691 Beijing XINHUA in English
0417 GMT 14 Dec 91

[Text] Washington, December 13 (XINHUA)—The U.S. State Department today welcomed a non-aggression

agreement by the two Koreas, while the Pentagon is insisting on delaying its troops reduction in South Korea.

"This agreement is an important step toward reducing tension and the risk of war associated with the 40-year division of the Korean Peninsula," the State Department said.

The prime ministers of the Democratic People's Republic of Korea (DPRK) and South Korea today signed a historic agreement on reconciliation, non-aggression, economic cooperation and exchanges.

The agreement provides for measures to prevent accidental hostilities through prior notification, observation of military exercises and on-the-spot verification of troops movements and military bases.

The two prime ministers today also issued a joint communique, agreeing that there should be no nuclear weapons on the peninsula.

Earlier, Bob Hall, spokesman of the U.S. Defense Department said that even as reports from Seoul indicated the two Koreas may soon be ready to announce their intention to make the peninsula a nuclear-free zone, the U.S. concerns over the DPRK's nuclear program are yet to be addressed.

Reflecting the concerns, U.S. Defense Secretary Richard Cheney announced last month that plans to withdraw 6,000 U.S. troops from South Korea starting at the end of 1992 were being delayed.

Eastern Airlines Sets Up Chicago Freight Service

OW1412034891 Beijing XINHUA in English
2344 GMT 13 Dec 91

[Text] New York, December 13 (XINHUA)—A new air freight connection between the U.S. Midwest and China will open December 20, with the beginning of China Eastern Airlines (CEA) all-cargo service between Chicago and Shanghai.

According to CEA local office at O'Hare, Illinois today, the operation will use the world's newest cargo aircraft, CEA's freighter version of the McDonnell-Douglas MD-11 wide-cabin Trijet, which can carry up to 92 tons of payload.

The Shanghai-Chicago link will start with one flight weekly. The aircraft will arrive at O'Hare International Airport at 6 P.M. on Fridays, off-load inbound cargo and load outbound cargo for departure scheduled at 11:20 P.M.

Zhu Guo Ka, general manager of the local office, said that additional landing rights in the United States to allow more frequent service in the future are under negotiation.

Based in Shanghai, CEA is the second China carrier authorized to operate between China and the United States. The airline began passenger service from

Shanghai to Los Angeles in August, with flights on Tuesdays and Fridays each week using a new MD-11 passenger aircraft.

In addition to the passenger and freighter models of the MD-11 now in service, China Eastern has ordered three more passenger versions, for delivery in 1992.

From its base in Shanghai, the airline serves approximately 50 cities in China, regional routes to Hong Kong and intercontinental operations to Tokyo, Osaka, Fukuoka and Nagasaki in Japan and to Los Angeles and now Chicago in the United States.

Services to Europe and South America are planned for the future, the office said.

Soviet Union

Column Sees Gorbachev 'Utterly Isolated'

HK1412072491 Hong Kong TA KUNG PAO
in Chinese 14 Dec 91 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Gorbachev Utterly Isolated"]

[Text]

The Power Is Gone, and Resignation Is Possible

Judging from the latest developments, unless there is a miracle or he changes his mind, Gorbachev's political fate has already ended and he may resign in the near future. Russia, Ukraine, and Belarus have decided to form a "commonwealth of independent states," replacing the new union treaty adamantly adhered to by Gorbachev with a loose confederation similar to the European Community. Such a move has received the support of most of the union republics. In particular, the five [as published] Islamic states in Central Asia, which had opposed the move by Yeltsin and the three Slavic states toward a commonwealth, later changed their position and turned opposition into support. This change was momentous. Now Gorbachev has learned that the game is as good as lost, he is much like Xiang Yu, in the Chinese historical period when the Chu state was fighting the Han state, who finally found himself besieged in Gaixia.

Gorbachev was most embarrassed when he convened the Supreme Soviet on the 12th to deliberate and vote on the legality of the commonwealth established by the three Slavic states, and saw the meeting fall through as the three states unanimously boycotted the meeting. On that very same day, the Russian Parliament ratified the commonwealth resolution by an overwhelming 188 votes to six votes of opposition, with seven abstentions.

The USSR Supreme Soviet will convene on the 17th of this month. As its Chairman (lu bin ta ke 7627 6333 1044 4430) has ominously prophesied, however: "The meeting on the 17th may be the Supreme Soviet's last."

The United States Gave the Coup de Grace

On the 12th, Gorbachev met with the press for two hours and revealed his intention to resign during the discussion. He said somberly: I have completed my life's work. From now on let somebody else do the job. I have old-age pensions, and there will not be any problems with my livelihood.

He chastised Yeltsin for first informing Bush, instead of him, of the establishment of the commonwealth of independent states, calling the move a national disgrace. The White House replied that "the establishment of a commonwealth of independent states by the three republics is legitimate." At the last moment the United States kicked Gorbachev aside, dashing the fruits and hopes, of years of his efforts to cultivate the support of the United States and West Europe to promote political reform.

The decision of Kazakhstan and the four Islamic republics to transform their unwillingness to put themselves under Slavic rule into desire to join the commonwealth was based on economic considerations. Russia, Ukraine, and Belarus account for 86 percent of the USSR's GDP. The per-capita output value of the six Islamic republics ranks from seven to 12 in the 12 Soviet republics, and they are considered backward countries. They rely on Russia and Ukraine for energy, oil, industrial products, and other products.

Bush Calls For Emergency Aid

Kazakhstan is the USSR's third largest republic. Since the 18th century, large numbers of Russians have been moving to Kazakhstan, and they now account for 40 percent of the republic's population, with another 40 percent made up of Kazakh people. Kazakhstan originally supported Gorbachev and was willing to join the new union. But since today's situation favors Yeltsin, it switched its support to him. The change in Kazakhstan's stand was decisive.

Support for Yeltsin within the military had also dealt a heavy blow to Gorbachev. On the 11th, Yeltsin telephoned National Defense Minister Shaposhnikov for a good talk and, afterward, gained understanding and support from the military. At this point, Gorbachev was more isolated than ever.

Once the union has crumbled, the "USSR" will cease to exist. There are doubts, however, about whether the republics participating in the commonwealth can be at peace with one another or whether there will be civil wars. The ethnic issues are simply not easy to handle. The greatest concern of countries throughout the world is the management of the nuclear arsenal. At a time when large numbers of nuclear military experts are flowing out of the country and are manufacturing more nuclear warheads, there will be another round of instability in the world.

Bush is calling on the West to meet in the United States next January to provide common aid to the "independent commonwealth" to prevent famine; however, the goal is to realize democracy and a marketized economy. Gorbachev's "Perestroika" and "New Thinking" have arrived at the final curtain. The new star is Yeltsin. Let us see how he performs.

Gorbachev 'Satisfied' With Growing Commonwealth

OW1412011491 Beijing XINHUA in English
2239 GMT 13 Dec 91

[Text] Moscow, December 13 (XINHUA)—Soviet President Mikhail Gorbachev said today that he was satisfied with the result of the five Soviet Central Asian republics, who have announced their decision to join the Commonwealth pact.

Leaders of the five republics, grouping Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan and Kazakhstan, met Thursday in Turkmenistan's capital city Ashkhabad to decide whether to join the Commonwealth co-founded by Russia, Belarus and Ukraine on Sunday.

According to Gorbachev's spokesman Andrey Grachev, the Soviet president believes that the process initiated in Minsk by the three Slavic republics is beginning to include all members of the former union.

This has made it possible for all the legitimate heir states of the former Soviet Union to join the process and avoid confrontation, Grachev quoted the president as saying.

The spokesman also said Gorbachev now considers the process to be compatible with his conception that any decision must be made in conformity with the Soviet constitution.

Gorbachev was previously opposed to the Minsk pact, saying its procedure violated the the Soviet constitution.

Gorbachev Rules Out Possibility of Military Coup

OW1412041591 Beijing XINHUA in English
0222 GMT 14 Dec 91

[Text] Moscow, December 13 (XINHUA)—President Mikhail Gorbachev ruled out today the possibility of a military coup in the Soviet Union although he acknowledged the danger that conservatives might capitalize on the country's current difficulties.

"The conservatives are not strong enough to stage military rebellions," the president said in an interview with the U.S. weekly "TIME" magazine.

A more realistic threat to the country is a wide-spread turmoil resulting from the deterioration of people's life, Gorbachev said.

Joint efforts should be made to avoid such a turmoil, and in this regard foreign assistance could play an important role, Gorbachev said.

He also stressed the necessity to solve the current crisis through constitutional means.

Soviet Defense Minister Dismisses Coup Rumors

*OW1412043191 Beijing XINHUA in English
0322 GMT 14 Dec 91*

[Text] Moscow, December 13 (XINHUA)—Soviet Defense Minister Yevgeniy Shaposhnikov today denied allegations that the Soviet armed forces will stage a coup.

"As a defense chief, I would state responsibly that the situation in the army is calm and the military is under control. It is impossible that the military will join any rebellion," Shaposhnikov told reporters.

Shaposhnikov expressed concern over Ukrainian President Leonid Kravchuk's announcement on Thursday that he had taken over all non-nuclear Soviet armed forces on the Ukrainian territory.

He said he had sent a high-ranking defense official to deal with the issue in Kiev.

Shaposhnikov reiterated that no matter where the tactical or strategic nuclear weapons were deployed, they must be always under the control of the central government.

Gorbachev Asserts Forces Under Unified Command

*OW1412041391 Beijing XINHUA in English
0204 GMT 14 Dec 91*

[Text] Moscow, December 13 (XINHUA)—Soviet President Mikhail Gorbachev today reassured the world of a unified command of the country's military forces for the transitional period.

"In the transitional period and before a responsive procedure and phase can be agreed upon, the Soviet military forces, like always, will be under a unified administration within the framework of the current system," the president said.

According to his spokesman Andrey Grachev, the Soviet president made the remark after he had telephone conversations today with Russian Federation President Boris Yeltsin and Ukrainian President Leonid Kravchuk.

Kravchuk on Thursday announced that he had become the commander-in-chief of the Ukrainian military forces.

Gorbachev said in the telephone conversations that the Ukrainian leaders decision to take over the leadership of the military forces in Ukraine lacked adequate explanations.

"Any fundamental changes and decisions must be made according to the joint defense treaty after consultations with all parties," Grachev said.

The Ukrainian president made assurances that any measures not agreed upon and not included in the treaty would not be taken. Ukraine was only announcing "steps for a future plan," he said.

Yeltsin, Shaposhnikov Discuss Future 'Alliance'

*OW1612032191 Beijing XINHUA in English
0141 GMT 16 Dec 91*

[Text] Moscow, December 15 (XINHUA)—Russian President Boris Yeltsin yesterday discussed a possible future defense alliance with Soviet Defense Minister Yevgeniy Shaposhnikov, the TASS NEWS AGENCY reported today.

Spokesman for the Russian president Pavel Voshchanov said a new alliance vision was required by the Commonwealth of Independent States' agreement.

During the meeting, the two leaders talked about the principles of common military strategic areas and unified command of the nuclear armed forces.

They also debated the unified strategic armed system consisting of air and missile forces and the navy.

Voshchanov said they also discussed possible candidates for the post of commander in chief of the joint armed forces of the newly founded commonwealth.

Yeltsin Briefs Bush on Soviet Situation

*OW1412043091 Beijing XINHUA in English
0304 GMT 14 Dec 91*

[Text] Moscow, December 13 (XINHUA)—Russian President Boris Yeltsin and U.S. President George Bush today exchanged views on the latest situation in the Russian Federation and the whole country over the phone.

According to TASS news agency, on December 8, Yeltsin had briefed President Bush on the Commonwealth of Independent States pact signed by leaders of the Russia, Ukraine and Belarus.

The Commonwealth enables each member to be an independent state, sharing common defense structures, but eliminating central government's control.

Soviets Unveil 'Latest' SU-27 Fighter Aircraft

*OW1612082391 Beijing XINHUA in English
0710 GMT 16 Dec 91*

[Text] New Delhi, December 16 (XINHUA)—The Soviets have unveiled their latest fighter aircraft SU-27 by giving flight demonstrations to Indian Air Force (IAF) fighter pilots at the Hindon Air Base near Delhi.

According to local newspaper "NATIONAL HERALD" today, the Soviets have flown in two aircraft—a fighter version of the SU-27 and a two-seat trainer.

The SU-27, one of the world's most advanced fighters, has been offered to India as an outright purchase or for manufacture under licence, the report said.

Equipped with perhaps the best cockpit radar, SU-27 can carry a mix of 10 air-to-air missiles (semi-active and infrared). The aircraft cockpit is incorporated with a radar/missile system which is an infrared search track laser range finder. The pilot uses the helmet mounted sight which works in conjunction with the entire radar/missile system.

Aviation experts here were quoted as saying that since India's area of operation is increasing, the SU-27, which has been designed for long range interception missions, would meet IAF's future requirements.

USSR Commodity Inspection Group Visits Jilin

SK1612081791 *Changchun Jilin People's Radio Network in Mandarin 1030 GMT 13 Dec 91*

[Text] Provincial Vice Governor Liu Xilin met with a four member delegation from the export commodity inspection bureau of the Maritime Kray of the Soviet Union led by (Sitsileko), director of the bureau, at Nanhua Guesthouse yesterday morning. The delegation came to visit at the invitation of the provincial commodity inspection bureau.

Liu Xilin gave a brief introduction of Jilin's situation and urged that the commodity inspection departments of both sides maintain contacts on a regular basis, introduce their situations, and promote their bilateral trade.

(Sitsileko), leader of the delegation, expressed willingness to strengthen cooperation to ensure the quality of the import and export commodities.

In view of the current vigorous border trade between our province and the Maritime Kray of the Soviet Union, the Soviet delegation and the provincial commodity inspection bureau reached agreement after discussions on cooperation between Hunchun and (Krasino) of the Soviet Union in their import and export commodity inspection to ensure the quality of the commodities and safeguard both sides' legitimate rights and interests.

Northeast Asia

Further Reportage on Korean Reconciliation Accord

DPRK Delegates Return Home

OW1312163591 *Beijing XINHUA in English 1608 GMT 13 Dec 91*

[Text] Pyongyang, December 13 (XINHUA)—Delegates from the Democratic People's Republic of Korea (DPRK) returned to Pyongyang from Seoul this afternoon after ending the 5th session of inter-Korea high level talks, the Korean news agency KCNA reported.

The north delegation headed by Premier Yon Hyong-muk passed through the border area at Panmunjom before boarding the train for Pyongyang.

Before leaving Seoul, delegation spokesman An Byong-su said the agreement signed during the 5th round of talks promised a "bright future for talks in the days to come."

It would constitute a new turning point in the process of reconciliation and reunification for the Korean nation, he said.

The north side would spare no efforts to make the coming talks fruitful and would carry out the agreement at an early date, he added.

The agreement on reconciliation, non-aggression and cooperation between the two sides of Korea was signed this morning by Yon Hyong-muk and the South's Prime Minister Chung Won-sik.

Under the agreement, the 6th round of inter-Korea talks will convene from February 18 to 21 next year. The 5th round of talks began on December 11.

Spokesman Welcomes Accord

OW1412100591 *Beijing XINHUA in English 0949 GMT 14 Dec 91*

[Text] Beijing, December 14 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China hopes the contact and dialogue between the two sides of Korea will be maintained and yield new results.

On December 13, prime ministers of the both sides of Korea signed in Seoul the agreement on reconciliation, non-aggression and cooperation and exchanges between the two sides of Korea, he noted.

"This marks a significant progress of the high-level talks between the two sides and will be conducive to the improvement of the North-South relations and the further relaxation of the situation in the Korean peninsula. We welcome and appreciate this development," he said.

"The relaxation of the situation in the Korean peninsula not only accords with the interests and aspiration of the Korean people, but also has great significance to the preservation of peace in Asia and the world as a whole," he added.

Kim Il-song Urges Early Unification

OW1412213691 *Beijing XINHUA in English 1609 GMT 14 Dec 91*

[Text] Pyongyang, December 14 (XINHUA)—President Kim Il-song said Friday the two sides of Korea should consolidate the results of the fifth high-level talks so as to unite the Korean nation at an early date, the newspaper NODONG SINMUN reported today.

The president of the Democratic People's Republic of Korea (DPRK) made the remarks when meeting with

delegates of the northern side to the fifth session of inter-Korea high-level talks from December 11 to 13.

Kim said the two sides should make joint efforts to unite the Korean nation on the principles of independence, peace and national unity.

After listening to a report made by the northern delegation headed by Premier Yon Hyong-muk, the president said the delegates had made great contributions to the opening of the way to a bright future for unification of the Korean nation.

Earlier Friday, president of South Korea, No Tae-u, also met with the northern delegation at the presidential Blue House in Seoul, NODONG SINMUN reported.

On the occasion, the premier of DPRK, Yon Hyong-muk, stressed the importance of abiding by and carrying out the agreement signed at the fifth round of high-level talks, adding the two sides should cherish the result of the talks which opened up the way for the cooperation between the north and the south as well as created a good precondition for the reunification of the Korean nation.

Yon told No Tae-u that the northern side will not stick to the "Korean Federal Republic" it had proposed if there were better proposals. Leaders of political parties and organizations on both sides could sit together to discuss them, the DPRK premier added.

No Tae-u agreed with Yon, saying the signing of a historical agreement in the fifth round of high-level talks should attribute to the "resolute decision" made by Kim Il-song.

Yon passed on the words of Kim Il-song that if the fifth round of talks made good progress and created a peaceful atmosphere, the inter-Korea top level talks would naturally follow. No also expressed his hope for an early inter-Korea summit.

Yon said to create peaceful atmosphere, the southern side should stop military manoeuvres such as the "spirit of cooperation" joint manoeuvres. No Tae-u made an active response to Yon's statement, NODONG SINMUN reported.

The fifth session of inter-Korea high-level talks at which delegates from the two sides signed an agreement on reconciliation, non-aggression and cooperation, ended on Friday. The northern delegation returned to Pyongyang from Seoul on the same day.

South Korea Approves Accord

OW1612100691 Beijing XINHUA in English
0859 GMT 16 Dec 91

[Text] Pyongyang, December 16 (XINHUA)—The South Korean Government discussed and approved today at a special cabinet meeting the "agreement on reconciliation, non-aggression and exchanges and cooperation between the North and the South", according to a Radio Seoul report.

The agreement, that was signed by the prime ministers of the two sides of Korea in Seoul on December 13, will be handed over to the South Korean parliament and President No Tae-u for ratification later.

Inter-Korean economic cooperation and exchanges were also discussed at the meeting, the report said.

South Korean Defense Minister Yi Chong-ku said at the meeting that the annual Team Spirit exercise between South Korean and U.S. forces will be held as usual if the nuclear issue is not solved at the Panmunjom talks this month, according to the report.

The cabinet also decided to upgrade the Defense Ministry's Arms Control Office to an Arms Control Headquarters to take charge of nuclear, arms control, military confidence-building, inspection and verification negotiations, the YONHAP NEWS AGENCY reported.

The cabinet meeting was held to discuss measures to implement the inter-Korean agreement, the report added.

Commentary Greet Pact

HK1612012991 Beijing CHINA DAILY in English
16 Dec 91 p 4

[Commentary: "Korean Reconciliation"]

[Text] The two parts of Korea signed a reconciliation and non-aggression agreement in Seoul on Friday at the end of the latest round of high-level inter-Korean talks.

Though the pact will not officially go into force until after ratification by the respective parliaments of the two sides, its signing no doubt is an event of historic significance that should be welcomed.

The 25-article pact, the first political agreement between the two sides, divided in 1945 and still technically at war from the 1950-53 Korean War, reaffirms the reunification principles of independence, peaceful reunification and grand national unity enunciated in the July 4, 1972 North-South Joint Communiqué.

Both sides pledge that they will recognize and respect each other's political and social systems and will neither interfere in each other's internal affairs nor attempt in any manner to sabotage or subvert each other.

The agreement thus sets the guidelines for a new stage of national reconciliation of the Korean people and provides a basic common ground for the eventual reunification of the peninsula.

Friday's pact calls for scientific, cultural and communication links to improve inter-Korean contact and allows the exchange of people, goods, mail, newspapers and broadcasts. It also calls for replacement of the 1953 armistice ending the Korean War with a peace treaty.

Initiatives

The positive result of the high-level talks has increased the possibility that a summit meeting between the North and the South will be held at an early date.

Prior to the signing of the agreement by their prime ministers, the two sides had also issued a joint statement pledging to work towards a nuclear-free Korean Peninsula.

If fully implemented as pledged by both sides, all this will greatly reduce tension and the risk of war on the peninsula.

The signing of the agreement has taken a long time to realize. During the past 40 years, the two have confronted each other with heavily armed forces deployed along both sides of the 38th Parallel.

Initiatives had been taken by both sides to increase mutual understanding and mutual trust through talks. The signing of the agreement on Friday can be said to be a logical result of increased contacts between the two in recent years.

Meanwhile, the tense situation on the Korean Peninsula has created a regional hot spot and aroused widespread concern throughout the world. In this sense, the signing and the implementation of the agreement is also in the overall interest of the world, particularly of the countries in Asia.

Reunification

Pursuing the goal of modernization, China has always strived to promote a peaceful environment in neighbouring areas, including Northeast Asia. It is only natural, therefore, that the country immediately welcomed, and its premier sincerely rejoiced at, the signing of the agreement.

National reunification is a long-cherished dream of the Korean people. The signing of the agreement is only a start for this sacred national cause, though a very encouraging one. However, so long as the North and the South put the whole national interest above everything else and deal with each other in the spirit of sincerity and mutual respect manifested and prevailed in their latest round of talks, they will certainly overcome any difficulty that may arise in the days to come and reach their final goal of reunification.

The international community has always kept a close watch on every progress in the peaceful development in the Korean Peninsula and certainly will spare no effort in supporting such a reconciliation.

Friendship Association Head Meets Japanese Guests

OW1512134091 Beijing XINHUA in English
1324 GMT 15 Dec 91

[Text] Beijing, December 15 (XINHUA)—Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries, met and had a cordial conversation with a delegation from Japanese Shin Seisakuza, headed by Miho Mayami, at the Great Hall of the People here this evening.

Following the meeting, Han hosted a dinner in honor of Miho Mayami and her party.

Liu Jianfeng Meets Japanese Inspection Delegation

HK1412024091 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 11 Dec 91

[Text] Governor Liu Jianfeng and Vice Governor Mao Zhijun met with an inspection delegation of the Japanese Hainan Island Development Agreement Committee, which was coheaded by (Chongmin Hexiong) and (Zhukou Jiaoye), on the morning of 11 December.

Our provincial leaders discussed with the Japanese guests the question of developing Yangpu, briefed them on the progress of the preparatory work regarding Yangpu development, and exchanged views with them. [words indistinct]

(Jiao Yongyu), provincial Economic Cooperation Department deputy director; (Ding Shenwu), provincial Yangpu Development Management Office director; (Ni Cuifu), provincial Planning Bureau deputy chief; and others were present on the occasion.

(Chongmin Hexiong) left Hainan on the afternoon of 11 December. He was seen off by Mao Zhijun at the airport.

The inspection delegation members are scheduled to visit Yangpu and other areas, where they are to conduct an on-the-spot inspection, 12 December.

Submarine Optical Cable Planned With Japan

OW1512091891 Beijing XINHUA in English
0800 GMT 15 Dec 91

[Text] Beijing, December 15 (XINHUA)—China and Japan will jointly build a submarine optical cable system to meet the growing needs of telecommunications between the two countries.

According to a construction and maintenance agreement recently signed in Beijing, the optical cable system, to be put into operation in December, 1993, will link China's Nanhui of Shanghai city and Japan's Miyazaki of Kyushu Island.

This cable system will also join in the western Pacific optical cable network that is linked to the United States and some other countries in the world.

Chengdu Firm Builds Isuzu Engine Production Line*OW1412164791 Beijing XINHUA in English
1517 GMT 14 Dec 91*

[Text] Chengdu, December 14 (XINHUA)—A production line for the 4JB1 diesel engine for Japan's Isuzu light duty vehicles has successfully conducted trial operations in Sichuan's Chengdu Engine Company.

Officials from the Ministry of Aero-Space Industry, and from Sichuan Province and Chengdu city along with Japanese experts participated in a ceremony held here today for the formal starting of the trial operation.

The Chengdu Engine Company has built a J serial engine production line with an annual production capacity of 10,000 engines.

After another assembly factory is completed in 1993, the company will have an annual engine production capacity of 72,000 engines.

The Chengdu Engine Company is the country's only State Council chartered factory for producing engines for Isuzu light duty vehicles. The company has absorbed 162 million yuan of investment from the state.

Southeast Asia & Pacific**Article on Cambodian Accord's International Impact***OW1412130391 Beijing XINHUA Domestic Service
in Chinese 0127 GMT 14 Dec 91*

["LIAOWANG Weekly Carries Signed Article Commenting on the Influence of the Basic Settlement of the Cambodian Issue on the International Community"—XINHUA headline]

[Text] Beijing, 14 December (XINHUA)—The 50th issue of "LIAOWANG" [OUTLOOK] weekly, which will be published on 16 December, carries an article by Yang Mu (2799 2606), commenting on the influence of the basic settlement of the Cambodian issue on the international community.

The article, which is entitled "The Basic Settlement of the Cambodian Issue Creates Extensive Influence," says that 1991 was a year marked by drastic changes in international relations and some of the greatest events to occur since the end of World War II. The basic settlement of the Cambodian issue after 12 years and 10 months is one of these major events, and its impact is extensive.

The article says: The signing and implementation of the peace agreement on Cambodia signifies the basic settlement of the Cambodian issue. What influence will it have? First, it implies the end of a flash point for regional war. Since the end of World War II, fighting has continued in Asia. The end of the Cambodian war will contribute to peace and security in Indochina, Southeast Asia, and the entire Asia-Pacific region.

Second, the basic settlement of the Cambodian issue has led to the normalization of relations between China and Vietnam. Relations between China and Vietnam became abnormal after Vietnam invaded Cambodia on 25 December 1978. The Chinese Government repeatedly stated that the settlement of the Cambodian issue would be a precondition for normalizing relations between the two countries. Only 13 days after the signing of the peace treaty on the Cambodian issue in Paris, namely on 5 December, the top leaders of China and Vietnam met in Beijing and declared normalization of relations between the two countries. This was followed by the signing of a trade agreement and a provisional agreement concerning border affairs and the announcement of a Sino-Vietnamese joint communique.

Third, the end of the Cambodian war provides an opportunity for reconstruction and economic development by the countries of Indochina. The winds of peace and development have entered the vast land of the Indochina Peninsula, which has tasted the full bitterness of wars. During the past 130 years, Cambodia was ruled and enslaved by colonialism and imperialism for nearly 100 years, with the Khmer people enjoying national independence for only some 30 years. Now, the Cambodian people eagerly need to rebuild their destroyed homeland. Vietnam hopes to extricate itself from the heavy burden of war and develop its economy. Laos is also stepping up its pace of development. The settlement of the Cambodian issue provides an opportunity and brings a challenge to the Indochina Peninsula. Foreign aid, investment, and development will follow one after another. How to adjust policies to meet this situation will be a new subject to be tackled by the Indochinese countries.

Fourth, the six ASEAN countries have made positive contributions to the solution of the Cambodian issue. Historically, they have maintained natural political and economic relations and friendship with the Indochinese people. The basic settlement of the Cambodian issue has further promoted these relations. Economic and trade cooperation and contacts between the ASEAN countries and Indochinese countries have started to thrive, bringing new vitality to Indochina, which features rich land and water resources but needs full-scale reconstruction.

Fifth, the trend of economic development in Northeast Asia, East Asia, and Southeast Asia is quite good. Economic regions and groups are expanding throughout Asia. The basic settlement of the Cambodian issue has promoted a closer relationship between the ASEAN countries and the three Indochinese countries. The economic circles of Japan and the "four little dragons" of Asia are focusing their attention on Indochina as well. The restoration and development of the Indochinese economy will in turn promote the economic development of Asia.

Sixth, Indochina occupies an important strategic position. In the past, it suffered from aggression and plundering by colonialism and imperialism and provided military bridgeheads for certain large powers. Now, the forces of some Western powers are attempting to return to Indochina and are vying with one another in grabbing natural resources, markets, and cheap labor of this region. These tendencies are attracting people's attention.

Near East & South Asia

Further Reportage Views Li Peng India Visit

Li, Rao Hold 2d Round of Talks

OW1312175791 Beijing XINHUA Domestic Service
in Chinese 1226 GMT 13 Dec 91

[By reporters Zhou Shuchun (0719 2885 2504), Zeng Hu (2582 5706), and Mi Ligong (4717 4539 0501)]

[Text] New Delhi, 13 December (XINHUA)—Premier Li Peng and Prime Minister Narasimha Rao held their second round of formal talks at the Presidential Palace this morning, during which they thoroughly discussed issues related to their bilateral relations.

Li Peng said that, over the past three years, progress has been made in various areas of the two countries' relations, and the agreements that both sides are about to sign are the concrete embodiment of this progress.

Prime Minister Rao also expressed his satisfaction with the improvement in bilateral relations. On behalf of the Indian Government and people, he assured Li Peng that the Indian side is sincere about further developing and strengthening Indian-Sino relations.

On trade, Li Peng said that bilateral trade still stands at a relatively low level in spite of the increases over recent years. He suggested that the governments of the two countries adopt a positive and supportive attitude in further expanding bilateral economic and trade ties. Trade officials and businessmen from the two countries should increase their exchanges and mutual understanding to expand the channels of cooperation.

Prime Minister Rao agreed with the comment, saying that there is great potential in the field of bilateral trade, especially in border trade. Both sides should make further efforts to expand bilateral economic and trade ties.

Both sides earnestly discussed the border issue. The two premiers agreed that the border issue should not affect the development of bilateral relations. Both sides agreed to make positive efforts to seek a solution to the problem in line with the principle the two premiers discussed during their 1988 talks on the border issue.

They expressed their satisfaction with the fact that peace and tranquility have been maintained in the Sino-Indian border areas in recent years. The premiers of the two

countries agreed that the Sino-Indian Joint Working Group on the border issue should hold discussions on specific measures designed to maintain peace and tranquility in the border areas. They also agreed that the Joint Working Group should hold another meeting as soon as possible.

Touching on the Tibet issue, Prime Minister Rao reiterated that the Indian Government recognizes that Tibet is an autonomous region of China and part of Chinese territory, and that the Indian Government does not permit Tibetans to carry out anti-Chinese Government activities on Indian territory.

Premier Li Peng expressed his appreciation of this position. He said that the door is open for a negotiation between the Chinese Government and the Dalai Lama, but that the Dalai Lama should abandon his stand on "Tibetan independence" and stop those political activities which aim to split the motherland.

During the talks, both sides also discussed the human rights issue. Li Peng said: "At the recent Group of 15 meeting, Prime Minister Rao stressed that, for the developing countries, the right to development is of primary importance as far as human rights is concerned. I appreciate this statement." Li Peng said that China and India have similar views on the human rights issue.

Stating China's position on human rights, Li Peng pointed out that the term human rights has broad meaning. For the developing countries, the right to survival and the right to development are of paramount importance. If a country has no independence or sovereignty and cannot determine its own fate, there would not be any human rights to discuss at all!

Prime Minister Rao said the Western concept of human rights is quite limited, and India finds it hard to accept it in its entirety. Likewise, India cannot accept the Western proposition that makes "human rights" a condition for financial, economic, or trade assistance. Li Peng said China also opposes the practice of interference in the internal affairs of other countries under the pretext of human rights, and the use of human rights as a precondition for aid.

At the end of the talks, Li Peng said that, over the past two days, "our talks have been fruitful, and both sides have had an in-depth exchange of views on many issues of common concern." He said that "his current visit has not only consolidated the achievements made during the trip the late Indian Prime Minister Rajiv Gandhi made to China three years ago, but has also made additional progress. This will promote the continuous advancement of Sino-Indian relations."

Prime Minister Rao also agreed that they had held fruitful talks, adding that the Indian side was satisfied with the results. He said that the stronger cooperation between the two largest Asian countries would be of important significance not only to the two nations but to the world at large.

On behalf of the Chinese Government and in his own name, Li Peng invited Prime Minister Rao to pay an official visit to China at his convenience. The Indian Prime Minister accepted the invitation with pleasure.

Prime Minister Rao, on behalf of the Indian National Congress Party, asked Li Peng to convey an invitation to General Secretary Jiang Zemin to visit India at a convenient time. Li Peng said that he would certainly convey the message.

Li Peng on New World Order

OW1312223891 Beijing XINHUA Domestic Service
in Chinese 1840 GMT 13 Dec 91

[By reporters Zhan Dexiong (6124 1779 7160) and Mi Ligong (4717 4539 0501)]

[Text] New Delhi, 13 December (XINHUA)—At the invitation of the Indian Council of Cultural Relations, Premier Li Peng gave a speech to over 200 noted public figures from all circles in India at the Nehru Memorial Hall today, making a positive assessment of Sino-Indian relations and explaining China's domestic and foreign policies. His speech was warmly welcomed by those attending the meeting.

After Indian Foreign Minister Madhav Singh Solanki delivered a warm welcome speech, Premier Li Peng began to speak amid applause. Detailed excerpts of his speech follow:

Sino-Indian relations go back to ancient history, as the two countries had cultural, religious, and economic contacts more than 2,000 years ago.

In modern history, both China and India share the same historical experiences in being subjected to bullying, humiliation, exploitation, and oppression by imperialism and colonialism. The peoples of the two countries have sympathized with and supported one another in the long struggle for national independence. The relations between China and India were very good following India's independence and the founding of the People's Republic of China in the 1950's. Chinese Premier Zhou Enlai and your country's Premier Nehru jointly initiated the well-known Five Principles of Peaceful Coexistence.

But, in the early 1960's, relations between the two countries became estranged, and high-level contacts were suspended due to reasons which are known to all.

Prime Minister Rajiv Gandhi paid a visit to China in 1988—even though there had been no high-level contacts between the countries for 28 years. It was a wise and courageous move which paved the way for the restoration and development of Sino-Indian relations. I would like to express once again my deep grief over his unfortunate death.

My current visit to your country reciprocates the late Prime Minister Rajiv Gandhi's China trip.

Over the past three days I have met with President Venkataraman and have held two rounds of talks with Prime Minister Rao. The talks and the meeting with the president were fruitful and inspiring. Both sides shared the same or similar views on many international issues. We believe that the old world pattern has been broken, and a new one has yet to take shape. The world is becoming more turbulent and unstable, and the developing countries' predicament has grown worse. Therefore, it is more necessary to strengthen South-South cooperation while actively continuing the North-South dialogue. The developing countries should take their destiny in their own hands.

China and India share the same view on the establishment of a new world order, believing that the Five Principles of Peaceful Coexistence should be the basis for the establishment of a new world order. Of course, along with the development of the international situation, new contents can be added to the Five Principles of Peaceful Coexistence. China maintains that all countries—big or small, strong or weak, rich or poor—are equal members of the international community and should have the right to take part in international affairs. The new international order should include not only a new political order but also a new economic order, for the two are closely related and cannot be separated. The United Nations should play a greater role in the establishment of a new order. China and India are ready to devote their efforts to establishing a just and rational new international order.

The two sides discussed the human rights issue during the bilateral talks. It is impossible for China and India, which have their own national conditions, to accept completely the Western concept of human rights. The Indian side told me that India does not accept the practice of making Western human rights values a precondition for economic assistance. China also opposes using the issue as a means of interfering in other countries' internal affairs.

As developing countries, China and India have many points in common. The two sides will be able to further strengthen their exchanges and cooperation in the economic, trade, scientific and technological, and cultural fields. Of course, a few issues are still pending between the two countries, mainly the border issue. During the talks, both sides believed that the border issue should not become an obstacle to the improvement and development of Sino-Indian relations. The two sides agreed that active efforts should be made to settle the issue in the spirit of the 1988 talks between the Chinese premier and the Indian prime minister. The Sino-Indian joint working group on the border issue will discuss measures for maintaining peace and tranquillity in the border areas. We are confident that the two sides will find a mutually acceptable solution through their joint efforts. The Sino-Indian border will eventually become a bond of friendship and peace linking the two peoples.

Tibet has been an inalienable part of Chinese territory since ancient times. During the bilateral talks, the Indian Government reiterated its position of recognizing Tibet as an autonomous region of China and of not permitting Tibetans to engage in political activities in India to split China. We appreciate this position of the Indian Government.

The rumor about the Chinese Government's unwillingness to talk with the Dalai Lama is a misunderstanding [wu jie 6137 6043]. I want to reiterate here: The door is wide open for negotiations between the Chinese Government and the Dalai Lama; all matters can be discussed except "Tibet independence." The Dalai Lama should abandon his position on "Tibet independence" and halt political activities designed to split the motherland. Tibet is an autonomous region of China. In China, a multinational country, Tibetan compatriots enjoy the same rights as other ethnic minorities on equal footing. The past four decades have seen a great advance in social and economic development in Tibet and considerable improvement in Tibetans' livelihood. The central government has never collected levies from the Tibetan people and, on the contrary, has given Tibet nearly 18 billion yuan. Tibet's population, which had stabilized at approximately 1 million for many centuries, has reached 2.19 million today, of which nearly 95 percent are Tibetans. The Tibetan population has doubled in four decades. The average life span of Tibetans has increased from 35 in the 1950's to 65 today. Like other provinces in China, Tibet's economic construction and other fields of work have developed continuously and its people's living standard has been further elevated.

China is a developing country. Over the past 12 years, we have steadfastly implemented the policy of reform and opening to the outside world, which was initiated by Comrade Deng Xiaoping, focusing on economic construction and constantly advancing along the road of building socialism with Chinese characteristics. During the 1980's, our gross national product doubled, and the people's livelihood improved markedly. Today China enjoys political stability and economic growth. The main purpose of the Chinese Government's 10-Year Program is to work hard for another decade for redoubling our gross national product and reaching an average annual growth rate of 6 or more percent to further raise the people's standard of living. The Chinese leadership with Comrade Jiang Zemin at the core is fully confident in leading the people of the entire country to realize this goal.

Socialism with Chinese characteristics, to which we are devoted, is different from the Soviet economic model. We practice a socialist planned commodity economy, which organically combines economic planning with market regulation. While public ownership is the mainstay of the Chinese economy, diverse economic sectors are permitted to coexist side by side. The distribution system adopted in China is mainly based on the principle of to each according to his work. Some people and regions are allowed to become rich first. Those who get

rich first can then help poor regions, so that common prosperity can be achieved. In realizing modernization and eliminating poverty and backwardness, China wants to rely on its own strength and the efforts of its people. At the same time, China attaches great importance to mutually beneficial cooperation with foreign countries on equal footing, implements the policy of opening to the outside world, studies advanced technology and managerial expertise, and absorbs partial funds for construction from other countries. We have established the special economic zones and improved the investment environment for foreign businessmen. These policies and measures have produced notable results. China opens to the outside world in all directions, including both the developed and developing countries.

India has scored notable successes in various economic fields in recent years. In agriculture, it has carried out the "green revolution" and is launching a "white revolution" (milk production). Its grain output has increased by a substantial margin. In addition, India has a relatively complete industrial system and large contingent of scientists and technicians. We heartily rejoice at India's successes. China and India can learn from and draw on one another's experiences in construction. China hopes to step up cooperation with India in various fields and, therefore, is also open to India.

China's modernization will be a protracted process which requires two preconditions, that is, a prolonged peaceful international environment and domestic political stability. China is ready to develop relations with all countries in the world on the basis of the Five Principles of Peaceful Coexistence. Developing relations with all bordering countries is a major component of Chinese foreign policy.

On the basis of these principles, China is willing to develop good-neighborly friendship with its neighbors, including India. China neither interferes in other countries' internal affairs nor imposes its own ideology and social system on them. China does not establish its sphere of influence and will never seek hegemony.

I hope that, through my current visit, the two countries will set their eyes on the future, increase exchanges, enhance understanding, and broaden common grounds of understanding in further promoting Sino-Indian relations.

Let us work together for our common interests and for peace and development under the present complex and volatile international situation.

At the end of his speech, Premier Li Peng received a prolonged standing ovation from the audience. Indian Secretary of Foreign Affairs Jyotindra Dixit thanked the Chinese premier for his speech.

Among the audience today were Indian parliamentarians, leaders of the political parties, senior government officials, scholars, social activists, and celebrities from

the industrial, business, and journalistic circles. Some of them are acquaintances of first-generation Chinese leaders.

The Nehru Memorial Hall, the venue of the speech, was the official residence of the late Prime Minister Nehru, where he met with late Chinese Premier Zhou Enlai twice in 1954 and 1960.

Indian Ambassador Views Visit

OW1512050991 Beijing Radio Beijing in Mandarin to Asia 0900 GMT 14 Dec 91

[From the "Report on Current Events" program]

[Text] Listeners, the following is a report on an interview with the Indian ambassador to China conducted by a station reporter prior to Premier Li Peng's visit to India.

Chinese Premier Li Peng is paying an official good-will visit to India. This is the first time in 31 years that a Chinese premier has paid a visit to India, and it is an important event in Sino-Indian political activity. Before Li Peng set off for India, a reporter from this station interviewed Mr. Salman Haidar, Indian ambassador to China. Now please listen to the report entitled "A Milestone in the History of Indian-Chinese Friendly Relations."

Ambassador Haidar, who had just assumed his position, happily gave an interview to this reporter in his office. Premier Li Peng's visit to India marks the first such occasion in 31 years and is significant to both China and India. We asked the ambassador to discuss his views on this issue. He maintained that Premier Li Peng's visit is another milestone in Indian-Chinese friendly relations, saying: India wishes to strengthen friendly and cooperative relations with China. It is even more important that leaders of these two large countries exchange information and enhance their friendship in a world of drastically changing situations. Premier Li Peng's visit has provided a good opportunity for high-level meetings between the two countries. India hopes to open up cross-border trade and exchange consulates during Premier Li Peng's stay.

Ambassador Haidar then joyously reviewed the development of Indian-Chinese friendly relations since former Indian Prime Minister Rajiv Gandhi's visit to China in December 1988. He said: Prime Minister Gandhi's visit opened the way for developing bilateral cooperation and friendship. India and China have greatly increased mutual exchanges since his visit. Experts of the two countries have exchanged information on various fields and have established a joint leading group for cross-border work, which has withstood three meetings. Trade is also growing increasingly, as well as cooperation in the fields of science and technology. All of this shows that India and China have greatly developed their relations.

Speaking of the prospects for developing bilateral relations, Ambassador Haidar believed that bilateral friendship and cooperative relations would be increasingly strengthened after Premier Li Peng's visit, and that India and China would have broad prospects for cooperation in science, technology, and trade—they are probing new fields of cooperation. He said: The development of good-neighborly and friendly relations between India and China not only conforms to the basic interests of the two peoples, but is also of positive significance to the peace and development of Asia and the world.

Li Trip to Gandhi Tomb Detailed

HK1412082191 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 14 Dec 91 p 4

["Letter From India" column by staff correspondent Wang Shifang (3769 1102 5364): "Let the Tree of Friendship Grow Forever"]

[Excerpt] On the morning of the 12th, accompanied by Indian officials, Premier Li Peng and his entourage were driven to the mausoleum northeast of New Delhi to pay respects to Mahatma Gandhi. [passage omitted]

At 0945, Premier Li Peng and other guests arrived at the tomb accompanied by an Indian Foreign Ministry protocol official (da li pu ma tai) [2071 0448 3184 7456 3141] and the Mahatma Gandhi Mausoleum Foundation chairman. Premier Li Peng, in grey tunic and trousers, took off his shoes before stepping into the tomb at a slow and dignified pace. Two Indian officials placed the wreath tendered by Premier Li Peng before the grave. The wreath had a backdrop of silver chrysanthemums interspersed with roses and calamus and looked bright and elegant. Premier Li Peng bent down to arrange the white silk ribbons which read: "To Mahatma Gandhi, the distinguished leader of India's independence movement, from PRC State Council Premier Li Peng," and then stood in silent tribute to Mahatma. After that, Premier Li Peng circled the tomb with Indian and Chinese officials and then bade farewell to the tomb. Signing the Mahatma Mausoleum Foundation visitor's book, Premier Li wrote: "Mahatma Gandhi devoted his whole life to India's national independence and was the great founder of the Indian Republic. On behalf of the Chinese people, I give him my highest respect." The foundation chairman gave Premier Li books published by the foundation as gifts.

Accompanied by the Indian protocol official and the foundation chairman, Premier Li Peng went to the east side of the mausoleum. With a shovel he dug up the soil and planted a young Yulan magnolia, then put a little sign beside the tree which read: "Planted in person by PRC State Council Premier Li Peng." Satisfied with his watering of this plant of friendship, Premier Li quipped in English, "Ok!" Laughter burst out and lingered on the lawn...

Hearing this laughter and bathed in the soothing fragrance of flowers and earth beside the Jumna River,

people had every reason to believe that this young plant, which was personally planted by Premier Li Peng and holds the friendship of the Chinese and Indian peoples, will grow along with the increasing friendly development between the two countries. May the tree remain green forever!

Li Peng Praises Economic Ties

OW1412112491 Beijing XINHUA in English
1109 GMT 14 Dec 91

[Text] New Delhi, December 14 (XINHUA)—Visiting Chinese Premier Li Peng today told a group of Indian industrialists that economic and trade cooperation is "very important" to Sino-Indian relations.

"I have come here to listen to your ideas," said Li Peng when meeting with more than 20 leading members of India's industrial and commercial circles.

Representatives from the Confederation of Engineering Industry (CEI) and the Federation of Indian Chambers of Commerce and Industry (FICCI) voiced their wishes and ideas for developing bilateral cooperation.

CEI President Dhruv M. Sawhney said that Indian industrialists are eager to develop cooperation with China, while FICCI President V.L. Dutt said the two countries will benefit from cooperative efforts in the industrial and commercial fields.

The representatives stressed the need for cooperation in motorcycle production, software development and coal mining.

Li said that there are vast potentials for economic and commercial cooperation between the two countries. A further mutual understanding, he added, is needed to facilitate the cooperation.

Li favored the idea of increasing direct bilateral trade.

Li Peng Meets Political Groups

OW1412195291 Beijing XINHUA Domestic Service
in Chinese 1559 GMT 14 Dec 91

[By reporter Zeng Hu (2582 5706)]

[Text] New Delhi, 14 December (XINHUA)—Chinese Premier Li Peng had separate meetings here this afternoon with delegations from three Indian political parties. Their three leaders spoke highly of Li Peng's visit to India.

The three delegations were: the delegation of the Indian Bharatiya Janata Party [BJP] headed by L.K. Advani, member of the BJP National Executive Committee and opposition leader of the Lok Sabha; the delegation of the Communist Party of India (Marxist) [CPI-M] headed by Surjeet, member of the the CPI-M Political Bureau; and the delegation of the Communist Party of India [CPI] headed by I. Gupta, CPI general secretary.

During the meeting, Advani said: The BJP is very pleased with Premier Li Peng's visit, which is a major event in India and China's relations. The two big countries, India and China, must strengthen their cooperation at a time when the international situation has undergone major changes.

Surjeet said: "We have been looking forward to Premier Li Peng's visit for a long time. Our party has been making unremitting efforts for a long time to improve and develop Indian-Chinese relations. Political parties in India have come to understand that India and China must improve and develop their relations. We are glad that Premier Li Peng's visit has been a success."

Gupta said: "There are many political parties in India, and their views are different. But all the political parties warmly welcome Premier Li Peng's visit to India because the visit symbolizes the end of the two countries' estrangement and the beginning of another rapprochement between the two big countries. This is in the interests of the two peoples."

Premier Li Peng said: "I have had many meetings with leaders of your country over the past several days. Our talks have been very satisfactory. China and India are the two largest developing countries. Although there are still some differences and outstanding issues between our two countries, the common ground we share is nonetheless essential."

He said: "In developing the relations between our two countries, we should pay attention to seeking common ground, reserving differences, and broadening common understanding so that we can promote and develop the relations between our two countries."

Li Peng said: "We are also glad to see that political parties in India support the development of friendly relations and cooperation between China and India."

Li Peng also briefed the leaders of the three political parties on China's domestic and foreign policies.

Calls For Expanding Ties

OW1412160891 Beijing XINHUA in English
1547 GMT 14 Dec 91

[Text] New Delhi, December 14 (XINHUA)—Visiting Chinese Premier Li Peng said here today that China and India should seek common ground while reserving differences in developing their relations.

The Chinese premier, who came here Wednesday on a five-day official goodwill visit, stressed that China and India would try to push forward the development of their bilateral ties by way of "reducing differences and expanding consensus on the basis of common interests."

Li made the remarks when meeting separately with executive committee member L. K. Advani of the Bharatiya Janata Party (Indian People's Party) national, Politburo member of the Communist Party of India

(marxist) Harkishan Singh Surjeet, and General Secretary of the Communist Party of India Indrajit Gupta.

During the meeting, Advani said Li Peng's current visit to India, the first by a Chinese premier in 31 years, is an important event in the relations between the two countries.

He said India and China must strengthen their cooperation in the present world of drastic changes.

Surjeet said now in India, all the political parties have recognized that India and China must improve and develop their bilateral relations, adding that his party has always been working hard to this end.

Gupta said despite their different points of views, all the political parties in India warmly welcome Li's current visit to India.

The visit signals that the two big countries are now moving closer to each other again leaving the estranged past behind, he said, stressing that this is in keeping with the interests of the two peoples.

Li Peng said though there are some differences and pending issues between the two nations, common points still constitute the mainstream in the bilateral relationship.

"We are happy to see that all the political parties in India support the development of Sino-Indian friendship and cooperation," Li said.

Urges Increased Cultural Exchanges

CM1612132391 Beijing XINHUA Domestic Service
in Chinese 1610 GMT 14 Dec 91

[Text] New Delhi, December 14 (XINHUA)—Visiting Chinese Premier Li Peng today called for increased cultural exchanges between China and India.

Li Peng, who arrived in New Delhi Wednesday on a five-day official goodwill visit to India, was meeting here this afternoon with Kapila Vatsyayan, secretary general of the Indira Gandhi National Center for Art, and another well-known scholar Lokesh Chandra on the recommendation of Indian Prime Minister Narasimha Rao.

During Li's visit, the Indira Gandhi National Center for Art held an exhibition of China's "Dunhuang Art."

In the meeting, Li heard the scholars' views on bilateral cultural exchanges.

The two scholars spoke highly of the two countries' long history of cultural exchanges, considering the centuries-old Indian Chinese cultural exchanges "an important aspect" of bilateral ties. Vatsyayan gave an account of the center's research programs in this regard.

Li Peng said that, as ancient civilizations, both China and India have an extremely rich cultural heritage. He

said: "Sino-Indian cultural exchanges can be traced back to ancient times. It is a good idea to study the history of Sino-Indian cultural exchanges. I hope people within the two countries' cultural and art circles will have more contacts and their exchanges will proceed successfully."

Zhu Lin, wife of Premier Li Peng; and Xu Dunxin, vice minister of foreign affairs, were present at the meeting.

Ministers Comment

CM1612132791 Beijing XINHUA Domestic Service
in Chinese 1604 GMT 14 Dec 91

[Text] New Delhi, December 14 (XINHUA)—Chinese and Indian foreign ministers have said that Premier Li Peng's current visit to India has kept up the momentum for developing their bilateral relations.

Chinese State Councillor and Foreign Minister Qian Qichen, in meeting with his Indian counterpart Madhav Singh Solanki this afternoon, said Li's visit has "injected vigor" in the bilateral relationship.

Qian said that the development of a constructive relationship between China and India is not only in keeping with the interests of the two peoples, but is also conducive to a healthy development of the international situation.

Along with the continuous improvement and development of bilateral relations, contacts between the two countries will increase, Qian noted.

Therefore, he expected India to adopt positive measures to facilitate these exchanges.

Solanki said the Indian side is giving positive consideration to the issue.

Solanki added that the dialogue between the two countries is important, as it will bring new material to the bilateral relationship.

It is a national consensus in India to improve and develop relations with China, he added.

Both sides agreed that the two countries should increase the exchanges in all fields and maintain the consultations between the two foreign ministers.

Qian invited Solanki to visit China next year, and he accepted the invitation with pleasure.

The talks proceeded in a friendly and pragmatic [wu shi 0523 1395] atmosphere. [new graf]

Xu Dunxin, Chinese vice foreign ministers; Cheng Ruisheng, Chinese ambassador to India; Dixi [di ke xi 6611 0344 6007], Indian foreign affairs secretary; and Haider [hai de er 3189 1795 1422], Indian ambassador to China, were present at today's talks.

Entertained by Cultural Group

OW1412165191 Beijing XINHUA in English
1636 GMT 14 Dec 91

[Text] New Delhi, December 14 (XINHUA)—Visiting Chinese Premier Li Peng and his wife Zhu Lin were entertained at a soiree featuring Indian classical dances here this evening.

The program was sponsored by the Indian Council for Cultural Relations specially for the Chinese premier, who arrived here Wednesday on a five-day official goodwill visit.

Indian President Ramaswami Venkataraman, Vice-President Shankar Dayal Sharma and Prime Minister Narasimha Rao were present on the occasion, along with the Chinese guests.

Li Peng Urges Personnel Exchanges

OW1512092891 Beijing XINHUA in English
0915 GMT 15 Dec 91

[Text] New Delhi, December 15 (XINHUA)—Visiting Chinese Premier Li Peng said here today that people-to-people exchanges are an important part of Sino-Indian relations.

He said this when meeting with some 30 leading members of India-China Friendship Organizations.

Li thanked Indian friends for their unremitting and commendable efforts over a long period of time in advancing Sino-Indian friendship.

He said one of the objectives of his visit is to convey to the Indian people the best wishes of the Chinese people.

Li noted that both China and India are developing countries, sharing common views on many issues. Therefore, the two nations have reason to develop and strengthen bilateral relations.

He stressed the Chinese people will firmly push ahead along the socialist road with China's own features.

P.N. Pande, president of the India-China Society (ICS), told Li that the friendship between the two countries is very important in light of the current turbulent world situation.

Although there are some differences between the two countries, Pande added, there is no doubt that they will be settled on the basis of the five principles of peaceful coexistence.

Representatives from ICS, the Indian Women's Society, the India-China Friendship Association, the India-China Cultural Society, and the All India Dr. Kotnis Memorial Committee also spoke highly of Indo-Chinese friendship and made suggestions for its future development.

Meets Indian Amity Groups' Leaders

OW1512140791 Beijing XINHUA Domestic Service
in Chinese 1020 GMT 15 Dec 91

[By reporter Mi Ligong (4717 4539 0501)]

[Text] New Delhi, 15 Dec (XINHUA)—Chinese Premier Li Peng met with some 30 leading members of India-China Friendship Organizations here today. He said during the meeting: "People-to-people exchanges are an important part of Sino-Indian relations."

The meeting proceeded in a warm and friendly atmosphere. Many of the Indian friends present were over 70 years old, with white beards and hair. Li Peng expressed his heartfelt thanks to those personages for their unremitting efforts over a long period of time in doing a great deal of work advancing Sino-Indian friendship. He said: "One of the objectives of my visit is to convey to the Indian people the cordial regards and best wishes of the Chinese people."

P.N. Pande, 86-year-old president of the India-China Society (ICS), said that he was very pleased with Premier Li Peng's successful visit to India. He said that the friendship between the two countries is very important in light of the current turbulent world situation. He also said: "Although there are some differences between the two countries, there is no doubt that they will be settled on the basis of the five principles of peaceful coexistence."

(Malik), general secretary of ICS, said: "The development of Indian-Chinese relations are gratifying and inspiring." (Latifei), chairman of the All India Dr. Kotnis Memorial Committee, handed a written proposal on promoting Indian-Chinese friendly relations to Li Peng.

Premier Li Peng briefed Indian friends on the situation of China. He said: "China is developing and advancing, and the Chinese people are full of confidence in their future." He was warmly applauded by the Indian friends when he told them that the Chinese people would firmly take the road of socialism with Chinese characteristics.

Meets Indian Vice President

OW1512134391 Beijing XINHUA in English
1333 GMT 15 Dec 91

[Text] New Delhi, December 15 (XINHUA)—Visiting Chinese Premier Li Peng and his wife Zhu Lin met here today Indian Vice President Shankar Dayal Sharma and his wife, with both leaders stressing the significance of the Sino-Indian friendship.

During the meeting, Sharma expressed his hope that leaders of the two countries will have frequent dialogues, and personnels of different walks of life will increase their exchanges.

He called in particular for the increase of exchanges between the parliaments of the two countries.

Li Peng said his fruitful talks with leaders of the Indian government and political parties demonstrated that Sino-Indian friendship enjoys popular support.

Such a friendship is of greater significance especially in the present world situation, Li stressed.

Sharma said the developing countries are now finding themselves in an increasingly grave world situation, and they are pinning great hope on the friendship between India and China.

The developing countries can be better in meeting the challenges by way of mutual support, he stressed.

Li Peng also conveyed to Sharma regards from Chinese Vice President Wang Zhen, and extended on behalf of Wang an invitation for Sharma to visit China at a convenient time.

The Indian vice president expressed his gratitude to Li for the invitation and asked Li to remember him to Vice President Wang Zhen.

Praises Korean Reconciliation Pact

*OW1412144091 Beijing XINHUA in English
1420 GMT 14 Dec 91*

[Text] New Delhi, December 14 (XINHUA)—Chinese Premier Li Peng said here today China heartily rejoices at the signing of the reconciliation and non-aggression pact between the northern and southern parts of Korea.

Li, who arrived in New Delhi Wednesday on a five-day official goodwill visit, made the remark when meeting with a number of Indian political leaders this afternoon, according to a Chinese official source.

The Chinese premier described the signing of the accord as "another important event" after the two sides joined the United Nations earlier this year.

The agreement, which was signed in Seoul Friday, will be conducive to the peace and stability on the Korean peninsula, he said, noting "we feel heartily happy about that."

The 25-article accord on reconciliation, non-aggression, exchange and cooperation was signed by Premier Yon Hyong-muk of the northern part of Korea and Prime Minister Chong Won-sik of the southern part.

Gives New Delhi News Conference

*OW1512223591 Beijing XINHUA Domestic Service
in Chinese 1825 GMT 15 Dec 91*

[By reporters Zhou Shuchun (0719 2855 2504), Zeng Hu (2582 5706), and Mi Ligong (4717 4539 0501)]

[Text] New Delhi, 15 December (XINHUA)—On the eve of concluding his visit to India, Chinese Premier Li Peng gave a press conference this afternoon at the Presidential Building where he is staying. He answered

reporters' questions on several topics, including Sino-Indian relations, the international and regional situation, and China's domestic situation.

Premier Li Peng first gave a short speech to brief the several dozen reporters from nearly 20 Chinese and Indian news agencies about his current visit to India.

He said: "During the official and friendly visit which I am paying to India at the invitation of Prime Minister Rao, I have been accorded a warm and friendly reception by the Indian Government and people. The two sides have had very satisfactory talks. I feel that the visit has been very fruitful. One special feature of the visit is that my colleagues and myself have had the opportunity of having very broad contacts with people from all walks of life in India. I had two rounds of talks with Prime Minister Rao; I have met the president, vice president, and several major ministers of India; I have met the leaders of nearly all political parties, including the ruling party and non-ruling parties; and I have met well-known personalities from business, cultural, and art circles as well as personalities who have long been engaged in promoting Sino-Indian friendship. As a result of these talks and meetings, we have enhanced mutual understanding and forged a closer friendship. These are major achievements."

He said: "It has been 31 years since the last Chinese premier visited India, and it has been three years since the late Indian Prime Minister Rajiv Gandhi visited China. There have been no high-level contacts between China and India for a long time. The world is changing, and both China and India are developing. China and India are very different from what they were 30 years ago. To develop our friendship and cooperation, the most important requirement is to promote understanding through contacts and exchanges. During my meetings with people of various walks of life in India, I have time and again indicated that we welcome them to visit China so that they can understand our people and China's current situation. Of course, our journalist friends here are also among those who are invited. At this age of information, the news media plays an important role in promoting understanding."

Premier Li Peng then answered the reporters' questions.

[Unidentified Reporter] What successes have the premiers of the two countries achieved at a time when the world situation has undergone fundamental changes?

[Li Peng] I would like to summarize the achievements of the talks as follows:

1. We have exchanged views on the current international situation, and we share identical or similar views. The world is now at a crossroads where the old pattern is being replaced by a new one, and it has become even more turbulent. Under such a situation, stronger cooperation among developing countries—especially China and India, the two most populous and big developing countries—is undoubtedly very important to regional

and even world peace, stability, and development. Regarding the kind of new international order that should be established, the two sides unanimously maintain that the Five Principles of Peaceful Coexistence should serve as the basis of building a new international political and economic order. Meanwhile, countries throughout the world—big or small, rich or poor, and strong or weak—are equal members of the international community and have the right to take part in international affairs. We have also discussed the human rights issue. Both sides maintained that human rights should be respected, but that, as far as developing countries are concerned, the most important human rights are the rights to subsist and develop. Prime Minister Rao indicated that whether or not the concept of human rights is in line with the standards of human rights in the West should not be used as a condition for providing aid to developing countries; and China pointed out that "human rights" should not be used as an excuse for interfering with other countries' internal affairs.

2. Of course, there are outstanding issues between China and India, especially the border issue. But we unanimously agreed that the differences should not impede the development of relations between the two countries. We should actively seek ways to solve problems. More importantly, we are ready to develop our relations in the political, economic, trade, scientific-technological, cultural, and other spheres. This is in line with the principle of "seeking common ground while reserving differences."

3. During the visit, the two sides signed five accords. Both sides maintain that the two countries' trade volumes remain relatively small. Because China and India are large developing countries, the development of their bilateral trade has a very great potential and broad prospects. Both sides should work hard toward this goal.

4. During my visit, I acted on behalf of President Yang Shangkun to invite President Venkataraman to visit China; and representing the Indian Government and in the name of the National Congress Party, Prime Minister Rao invited General Secretary Jiang Zemin to visit India. I have also invited Prime Minister Rao to visit China at a time convenient for him. I believe that, after this visit, there will be more exchanges of high-level visitors between China and India. This is very useful for promoting the development of relations between the two countries.

Furthermore, upon the conclusion of this visit, the two countries will issue a joint communique in which the achievements of the current visit will be elaborated in more detail. In short, I and the people of various circles whom I have met are of the opinion that the visit has been a complete success.

[Unidentified Reporter] You mentioned in your speech that "mutual understanding and mutual accommodation" should become the guiding principle for settling the border issue; would you please comment on its

specific meaning? Moreover, will the joint border working group play a larger role?

[Li Peng] The Sino-Indian border issue is a historical issue. By "mutual understanding and mutual accommodation," I mean that, when we solve that issue, the two sides should respect historical facts as well as reality, take into consideration the feelings of the two peoples, and understand each other. It is very clear that both sides should make the necessary compromises and concessions if we want any of our talks to be successful. There are two most important requirements: First, sincerity; and second, patience—because this is a relatively complex issue.

I can tell you that, when the border issue was discussed, the atmosphere of the talks between the two sides were amicable. Moreover, the two sides have reached agreement on certain specific plans. For example, in order to let the working group play a bigger role, it will also discuss specific measures for preserving peace and tranquility in border areas when it meets in New Delhi early next year. Furthermore, the irregular meetings between the two countries' border guards will become regular meetings. While these cannot be considered major measures capable of settling the border issue, they can create an amicable atmosphere favorable for expediting the settlement of the border issue.

[Unidentified Reporter] The development of normalization of Sino-Indian relations has been very successful. At a time when the world situation and the environment of Asian security are changing, do you think that it is possible for China and India to cooperate in defense?

[Li Peng] That issue was not discussed during this visit. China's defense forces are completely for defensive purposes. China decided as early as 1985 to reduce the number of troops by one million, and this project has been accomplished. China's military budget accounts for a very small percentage in the national expenditure as a whole. China is a developing country, and economic development is at the heart of all our projects. Naturally, we hope we have a peaceful external environment, especially in the peripheral areas. We hope there will be long-standing peace in Asia as a whole, including south Asia.

[Unidentified Reporter] How would you assess the relationship among India, China, and Pakistan? And how would you approach the Pakistani prime minister's proposal of building a non-nuclear zone in south Asia?

[Li Peng] The relations between Pakistan and China are good, and our relations with India are improving and developing. China is willing to maintain and develop friendly relations with India, Pakistan, and all countries in south Asia on the basis of the Five Principles of Peaceful Coexistence. As for the disputes between India and Pakistan, we hope the two countries will settle them properly through negotiations in accordance with the Five Principles of Peaceful Coexistence, and will not resort to force.

The Chinese Government always support proposals of building non-nuclear zones in all parts of the world. We support the building of non-nuclear zones in Latin America and the South Pacific, as well as the building of a non-nuclear zone in the Korean Peninsula, which is in its nascent stages. Thus, we certainly support the building of a non-nuclear zone in south Asia.

[Unidentified Reporter] What is China's view of the situation in the Soviet Union?

[Li Peng] Major changes have certainly taken place in the Soviet Union. China's consistent stand is not to interfere in other countries' internal affairs. China and the Soviet Union are neighbors, sharing a common border of over 7,000 km. Our attitude as a whole is: We hope we can continue to maintain normal, good neighborly, and friendly relations with the Soviet Union and can maintain our traditional friendship with the Soviet people. We are profoundly sympathetic with the difficulties confronting the Soviet people. Like other major countries in the world, we are still watching the changing situation in the Soviet Union. But one thing is sure; we will certainly develop relations with various independent republics.

[Unidentified Reporter] In China today, products produced by private enterprises are much more marketable than those produced by state enterprises, and private enterprises are playing an increasingly bigger role in China's economy—does this mean that private enterprises will play a dominant economic role in China in the future?

[Li Peng] I do not think that will be the case. What China is building is a Chinese-style socialist society in which public ownership assumes the dominant role. Private economies, independent-operated economies, and foreign-funded enterprises are simply a useful supplement to the publicly-owned enterprises. Take industry, for example. The existing state enterprises account for approximately 55 percent of the industrial output value, and collective economies account for 35 percent; whereas the output value of private economies, independently-operated economies, and foreign-funded enterprises accounts for about 10 percent. We think this is not a high percentage. Although they will continue to develop, private economies will not assume a dominant role in China.

Affirms Prominent State Sector

OW1512192991 Beijing XINHUA in English
1906 GMT 15 Dec 91

[Text] New Delhi, December 15 (XINHUA)—Visiting Chinese Premier Li Peng said here today that the private sector won't dominate China's economy, though it will be allowed to further develop.

Answering a question on the private sector's role in China's economy, the Chinese premier said that the

nation is building socialism with Chinese characteristics with public ownership predominating the national economy.

The private, individual businesses and enterprises involving foreign funds are only "useful complements" to public-owned economy, he said.

The premier said, the private sector only accounts for 10 percent of China's industrial output. This percentage should be increased, but the private sector will not become predominant.

Asked whether India and China would cooperate in defense, the premier said this issue was not discussed during his visit.

As for China's own defense force, Li said, it is entirely for defensive purposes and the country's military expenses take up a very small percentage in the national financial expenditure.

The premier said that China's modernization drive needs a peaceful international environment, particularly in the surrounding areas. REF: ow151223591 and adds beijing xinhua domestic chinese

151825—li peng new delhi press conference

'Text' of Sino-Indian Communique

CM1612133491 Beijing XINHUA Domestic Service
in Chinese 0642 GMT 16 Dec 91

[Text] New Delhi, December 16 (XINHUA)—Following is the full text of the Sino-Indian joint communique issued here today:

1. At the invitation of Mr. P.V. Narasimha Rao, prime minister of the Republic of India, Mr. Li Peng, premier of the State Council of the People's Republic of China, paid an official goodwill visit to the Republic of India from 11 to 16 December 1991. Premier Li Peng held talks with Prime Minister P.V. Narasimha Rao. President Ramaswami Venkataraman and Vice President Shankar Dayal Sharma held separate meetings with Premier Li Peng. The talks and meetings proceeded in an atmosphere of sincerity, candor, and mutual understanding.

2. During the visit, the two governments signed the agreement between the Government of the People's Republic of China and the Government of the Republic of India on the re-establishment of consulates general in Shanghai and Bombay, the consular convention between the People's Republic of China and the Republic of India, the memorandum between the Government of the People's Republic of China and the Government of the Republic of India on the resumption of border trade, the trade protocol for 1992 between the Government of the People's Republic of China and the Government of the Republic of India, and the memorandum of understanding between the Ministry of Aerospace Industry of the People's Republic of China and the Department of

Space of the Republic of India on cooperation in peaceful applications of outer space science and technology.

3. The leaders of the two countries had a wide-ranging exchange of views on bilateral relations and major international and regional issues of mutual interest. The two sides expressed satisfaction that Sino-India relations had improved in recent years, especially since the 1988 visit to China by the late Prime Minister of India Mr. Rajiv Gandhi, as a result of the concerted efforts by the two governments and peoples. The two sides reaffirmed their readiness to continue to develop friendly, good-neighborly, and mutually beneficial relations on the basis of the five principles of peaceful coexistence jointly initiated by China and India, for they believed that cooperation between China and India is in the fundamental and long term interests of the peoples of the two countries and is conducive to peace and stability in Asia and the world.

4. The two sides positively appraised the cooperation in the fields of trade, culture, science and technology. They particularly stressed the need for joint efforts for ensuring a dynamic increase and diversification of exchanges in the economic field, including trade. The two sides also agreed that border trade between the two countries could gradually be extended to new areas as mutually agreed upon. Both countries would actively engage in cooperation in the fields of health, education, energy, and agriculture. It was also agreed to hold a cultural festival of India in China and a cultural festival of China in India.

5. The leaders of the two countries reiterated that efforts would be made to arrive at an early and mutually acceptable solution to the boundary question through friendly consultations. Both sides believed that the talks held so far by the Sino-Indian joint working group on the boundary question had enhanced mutual understanding and agreed that the group should step up its work in search of an earliest-possible solution to the boundary question. It was decided that the next meeting of the joint working group would be held in New Delhi in early 1992 on a mutually convenient date. The two sides agreed to maintain peace and tranquillity in the area along the line of actual control pending a final settlement of the boundary question. They also agreed that the periodic meetings between the military personnel in the border areas should be held on a regular basis.

6. The Chinese side expressed concern about the continued activities in India by some Tibetans against their motherland and reiterated that Tibet was an inalienable part of Chinese territory and that it was firmly opposed to any attempt and action aimed at splitting China and bringing about "independence of Tibet." The Indian side reiterated its long standing and consistent position that Tibet is an autonomous region of China and that it does not allow Tibetans to engage in anti-China political activities in India.

7. The two sides stated that the improvement and development of Sino-Indian relations was not directed against any third country, nor would it affect their existing friendly relations and cooperation with other countries. The two sides expressed their support for the peaceful settlement of all bilateral issues between countries in the region through friendly consultations. The Chinese side expressed their support for efforts by the South Asian Association for Regional Cooperation for closer cooperation among its member states. Both sides believed that peace and stability in South Asia are in the interests of the peoples of the region and conducive to the preservation of world peace and stability.

8. The two sides extended welcome and support to the agreement on a comprehensive political settlement of the Cambodia conflict signed at the Paris conference on Cambodia on 23 October 1991, and expressed the hope that the agreement would be fully implemented so as to create conditions for free and fair elections conducted and supervised by the United Nations, and to enable Cambodia to become an independent, sovereign, peaceful, neutral and non-aligned country.

9. The two sides stressed the importance of an early political settlement of the Afghan issue and expressed support for consultations and dialogue among the parties concerned for the establishment in Afghanistan of a broad-based coalition government acceptable to all parties, thereby restoring peace within the country and ensuring the independence, sovereignty, neutrality and non-aligned status of Afghanistan. Both sides are supportive of the United Nations secretary general's statement on May 21 announcing a five point programme for a political settlement of the Afghan issue, and hope that the United Nations will play an important role in this process.

10. The leaders of the two countries held that major changes had taken place in the international situation in recent years. While welcoming the trend toward relaxation of the international situation, they recognised that peace, security and development in the world are still faced with challenges. International economic relations are plagued by ever intensifying North-South contradictions and widening economic gaps. The two sides pointed out that in the absence of the economic development of particularly the developing countries, there will be no genuine peace and stability in the world. The two sides reiterated their commitment to the cause of peace and development and held that the international community should continue to work for maintenance of world peace and promotion of common progress of mankind.

11. The two sides believed that the international community should joint efforts for the establishment of a new international political and economic order. The two sides stressed that the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal

affairs, equality and mutual benefit and peaceful co-existence, together with the purposes and principles of the United Nations Charter, should comprise the essential norms for conduct of international relations and form the basis upon which the international order would be established.

The two sides believed that the following principles should govern the new international order:

(1) Every country—big or small, strong or weak, rich or poor—is an equal member of the international community entitled to participate in the decision-making and settlement of international affairs. Each country shall have the sovereign right to formulate and implement its own strategies and policies for socio-economic development best suited to its national conditions. The principle of non-interference in each other's internal affairs should be scrupulously observed in international relations, differences and disputes among countries should be settled peacefully without resorting to force or threat of force.

(2) Efforts should be made to check the arms race and realise effective disarmament. The current process of disarmament should lead to the complete prohibition and thorough destruction of all weapons of mass destruction including nuclear, chemical and biological weapons. Further progress should be made towards conventional disarmament.

(3) Efforts should be made to address the growing economic gap between the North and the South, and achieve the settlement of global economic, social, demographic and environmental problems in a manner which would benefit all members of the world community. Regional cooperation should be furthered in order to expand channels for dialogue and promote common development. The developed countries are urged to address the questions of the mounting debt burdens of the developing countries, worsening terms of trade, inadequacy of financial flows and obstacles to technology transfers.

(4) The principles of the UN Charter and the relevant international human rights instruments on the protection of human rights should be respected, and the universal realisation of human rights and fundamental freedoms for the whole of mankind should be safeguarded and promoted. Human rights are indivisible. For the vast number of developing countries, the right to subsistence and development is a basic human right.

12. The two sides believed that dialogue and exchange of visits between the leaders of the two countries were of major importance to greater mutual understanding and further development of bilateral friendship and cooperation in all fields. Premier Li Peng and his party thanked the government and people of the Republic of India for the warm and friendly hospitality accorded them. Premier Li Peng invited Prime Minister P.V. Narasimha Rao to visit China at his convenience and conveyed an invitation from Chinese President Yang Shangkun to President Venkataraman to visit China. Both the Prime

minister and the president accepted the invitations with pleasure. Dates for both visits will be decided through diplomatic channels. Prime Minister P.V. Narasimha Rao has invited General Secretary Jiang Zemin of the Chinese Communist Party to visit India. Premier Li Peng said he would convey this invitation with pleasure and thanked the prime minister for his invitation.

XINHUA Comments

OW1512200891 Beijing XINHUA Domestic Service
in Chinese 1401 GMT 15 Dec 91

["Strengthen Cooperation, Look Forward To the Future—Commenting on Premier Li Peng's Visit to India" (by reporters Zhou Shuchun (0719 2885 2504) and Zhan Dexiong (6124 1795 7160))—"XINHUA headline]

[Text] New Delhi, 15 December (XINHUA)—As the first Chinese head of government visiting India over the past 31 years, Premier Li Peng's current visit to India not only has consolidated the successes which the late Prime Minister Rajiv Gandhi achieved during his visit to China in 1988, but also has contributed significantly to promoting the development of Sino-Indian relations.

As Premier Li anticipated before his departure, he has had broad contacts with leaders and people from all walks of life in India and has exchanged views with them on many issues of common concern. In less than five days, he and the Indian prime minister had two rounds of official talks which lasted more than four hours. He also had meetings with the Indian president, vice president, two former prime ministers, three ministers, and five political party leaders, as well as Rajiv Gandhi's widow—Sonya Gandhi—officials of the Indian-Chinese friendship organization, and India's business, cultural, artistic, and journalistic circles. Moreover, Mrs. Li Peng, Qian Qichen, state councillor and minister of foreign affairs; and Li Lanqing, minister of foreign economic relations and trade, who accompanied the premier during the visit, also have had separate meetings with Indian women's leaders, diplomats, and economic and trade officials.

After nearly 20 sessions of talks and meetings, the two sides have come to understand each other better, have broadened common understanding, and have forged closer friendships. Over the last several days, the Indian parliament, political parties, social circles, and the media have spoken highly of Premier Li Peng's visit, calling it a "milestone in the relations of the two countries." All major papers have made it a practice to cover this major diplomatic act extensively, giving it conspicuous space on the front page every day.

The world today is turbulent; the international situation is undergoing profound changes; peace and development are being severely challenged; and developing countries are confronting even bigger problems. Against such a background, it is inevitable for China and India, the two

largest developing countries with a long history of contacts, to strengthen their cooperation. Not only is this in the interest of the two peoples and developing countries, it certainly also has positive effects on peace, stability, and global development.

During their highly fruitful talks, Premier Li Peng and Prime Minister Rao have reached a broad consensus of views on such issues as developing bilateral relations and establishing a new international political and economic order. They point out that the Five Principles of Peaceful Coexistence which the Chinese and Indian premiers initiated during the 1950's should serve as the basis of the new international political and economic order.

On human rights, the two premiers underscored the importance of the developing countries' rights of subsistence and development. The two leaders are opposed to intervening in other countries' internal affairs in the name of "human rights." On the issue of Tibet, Prime Minister Rao reiterated the Indian Government's stand of acknowledging Tibet as an autonomous region of China and not permitting Tibetan people to carry out political activities against the Chinese Government on Indian territory. Premier Li Peng pointed out that the "door of talks is open" between the Chinese Government and the Dalai Lama, but that the Dalai must renounce his stand for "Tibetan independence" and stop his political activities of dividing the motherland.

The two premiers stressed that strengthening high-level political exchanges is an important way to promote the development of bilateral relations. Thus, Jiang Zemin, general secretary of the CPC Central Committee, President Yang Shangkun of China; and President Venkataraman, Vice President Sharma, Prime Minister Rao, and Foreign Affairs Minister Solanki of India have extended their invitation to each other to visit each other's country. Furthermore, the leaders of the two countries have also encouraged government departments, national assemblies, political parties, businesses, and cultural and art circles of the two countries to actively develop their exchanges and cooperation. It is expected that in the near future, the two countries will usher in a period in which their friendly contacts, which can be traced far into the past, can become even more active.

Both countries have attached great importance to their economic and trade cooperation, which is an important aspect of Sino-Indian relations. Despite his tight schedule, Premier Li Peng spoke with more than 20 well-known Indian business leaders for over an hour to explore new channels for expanding cooperation. He pointed out that there is a great potential for Sino-Indian cooperation in the economic, trade, and scientific-technological spheres. He also expressed the belief that people within the economic circles of the two countries should consider the visit a new opportunity for pushing forward the two sides' cooperation.

One concrete achievement made in the visit is the signing of five documents, including the consular treaty and the memorandum of reinstating border trade. It is learned that the two sides will issue a joint communique upon the conclusion of the visit tomorrow. All this will inject new power for continual development of bilateral relations.

It is a fact that the boundary issue of the two countries remains unresolved. But the two sides believe that this issue will not impede the improvement and development of their relations, and that it certainly will be resolved rationally as long as the two sides work hard together. The Sino-Indian border will eventually become a bond of peace and friendship between the two peoples.

Just as Premier Li has said, China and India "should have foresight and consider the whole situation of the world" in developing their relations. During the new historical period when mankind is about to step into the 21st century, much work can certainly be accomplished by Chinese and Indian peoples, the creators of brilliant ancient civilizations.

'Roundup' Reviews Visit

*OW1612075091 Beijing XINHUA in English
0728 GMT 16 Dec 91*

["Roundup: Li's Visit Strengthens Sino-Indian Ties"—XINHUA headline]

[Text] New Delhi, December 16 (XINHUA)—Chinese Premier Li Peng's current visit to India, which is scheduled to end today, has consolidated the achievements in the Sino-Indian relations scored since the visit to China by late India Prime Minister Rajiv Gandhi in 1988 and contributed to further improving the relations.

As the first Chinese government head to visit India in 31 years, Li Peng has held talks with Indian government leaders and other personalities of various circles on various issues of common concern.

During the five-day visit, the Chinese premier held two rounds of official talks with his Indian counterpart and met separately with the Indian president, the vice president, two former prime ministers and other high-ranking officials.

His wife, Zhu Lin, Chinese State Councilor and Foreign Minister Qian Qichen, and Minister of Foreign Trade Li Lanqing have also met with their Indian counterparts.

After these talks, the two sides have increased mutual understanding and deepened their friendship.

The Indian parliament, the political parties and the mass media all spoke highly of the Chinese premier's visit, calling it "a milestone" in the relations between the two countries.

Almost every local newspaper has devoted a large space of its front page to this important diplomatic event.

Under this drastically changing world, it is imperative to strengthen the relations and cooperation between the two largest developing countries. This will not only serve the interests of the two peoples and benefit the third world countries, but also contribute to the world peace, stability and development.

Li Peng and his Indian counterpart Narasimha Rao in their fruitful talks have reached consensus on furthering the relations between the two countries, establishing a new world order and other issues.

The two premiers agreed that the establishment of a new international political and economic order should be based on the five principles of peaceful co-existence, which were initiated by China and India in the 1950s.

Li peng said that the five principles, which have already shown their great vitality, may be added with some new contents as the situation develops.

On human rights, the two sides emphasized the significance of the right to existence and development to the developing countries, and opposed the practice of interfering in internal affairs of other countries under the pretext of human rights.

Li Peng Concludes Visit, Departs

OW1612071691 Beijing XINHUA in English
0631 GMT 16 Dec 91

[Text] New Delhi, December 16 (XINHUA)—Chinese Premier Li Peng left here for home today after concluding a historic official goodwill visit to India.

At a red-carpet seeing-off ceremony at the presidential palace, the Chinese premier said he was very much satisfied with the visit.

During the visit, which started last Wednesday, the Chinese premier met with Indian President Ramaswami Venkataraman and had two rounds of talks with his Indian counterpart Narasimha Rao.

He also had extensive contacts with leading figures from various circles of India during the visit, the first by a Chinese premier in 31 years.

As a concrete result of the visit, China and India signed several documents for expanding bilateral relations in political, trade, and scientific and technological fields.

Indian Prime Minister Rao, Foreign Minister Mahasinh Solanki were present at today's ceremony, and Solanki accompanied Li Peng to the airport to see him off.

Chinese State Councillor and Foreign Minister Qian Qichen, Minister of Foreign Economic Relations and Trade Li Lanqing, and other Chinese officials who accompanied Li Peng on the visit returned home boarding the same special plane.

Returns to Beijing

OW1612135491 Beijing XINHUA in English
1347 GMT 16 Dec 91

[Text] Beijing, December 16 (XINHUA)—Chinese Premier Li Peng returned to Beijing by special plane this evening after a five-day official goodwill visit to India.

He was greeted at the Great Hall of the People by General Secretary of the Chinese Communist Party Central Committee Jiang Zemin, Vice-Premiers Yao Yilin and Wu Xueqian, Vice-Chairman of China's National People's Congress Standing Committee Liao Hansheng and Secretary-General of the State Council Luo Gan.

Li Peng's wife Zhu Lin, State Councillor and Foreign Minister Qian Qichen and his wife Zhou Hanqiong, and Minister of Foreign Economic Relations and Trade Li Lanqing who accompanied Li on the visit, also returned aboard the same plane.

Chinese Minister of aero-space Industry Lin Zongtang, Vice- Foreign Minister Tian Zengpei, and Charge d'affaires of the Indian Embassy in Beijing H. Viswanathan also greeted Li and his party at the Great Hall of the People.

Comparison of Li Peng Call for Joint Contacts

CM1612152691

Beijing XINHUA Domestic Service in Chinese at 1639 GMT on 13 December carries a report on Li Peng's meeting with Indian finance, foreign, and defense ministers. The XINHUA Chinese version has been compared to the XINHUA English version titled "Calls For More Joint Contacts" published in the 13 December China DAILY REPORT, page 14, revealing the following variations:

Page 14, column two, paragraph one, only sentence reads: ...for increased contacts and deepened mutual understanding between the governmental departments of China and India to expand bilateral relations.

Li made the... (providing additional material)

Paragraph three, sentence two reads: ...fruitful bilateral relationship, and the Indian side is very pleased with Premier Li Peng's visit, he added.

Upon Li's request... (providing additional material)

Page 15, column one, paragraph three, only sentence reads: ...with Li's ideas.

Chinese State Councillor and Foreign Minister Qian Qichen, Minister of Foreign Economic Relations and Trade Li Lanqing, Deputy Foreign Minister Xu Dunxin, and Chinese Ambassador to India Cheng Ruisheng were present when Li Peng met with the Indian ministers. (providing additional material)

Comparison of Li Peng Banquet Speech
CM1612160991

Beijing RENMIN RIBAO in Chinese on 13 December carries on page 6 a XINHUA report entitled "Broad Prospects for Sino-Indian Unity and Cooperation in New Era; Principle of Peaceful Coexistence Is Basis of New International Order—Speech Delivered by Premier Li Peng at Welcome Banquet Hosted by Prime Minister Rao." This version has been compared with the XINHUA Domestic Service version published in the 13 December China DAILY REPORT, page 7, revealing the following variations:

Page 8, first column, second full paragraph, third sentence reads: ...a universal concern of the international community today. It is the... (providing additional material)

Second column, first partial paragraph, second sentence reads: ...level commensurate with that of the era when our two giant civilizations were making contributions to the... (providing additional material; rewording)

Same paragraph, last sentence reads: ...Indian peoples, who once created ancient civilizations, are... (deleting word "splendid"; rewording)

Political & Social

Dissidents in Shanghai 'Under Tight Control'

HK1612022191 Hong Kong SOUTH CHINA
MORNING POST in English 16 Dec 91 p 11

[By Geoffrey Crothall in Shanghai]

[Text] While two of Beijing's best known dissidents, Dai Qing and Hou Xiaotian, have been given permission to leave China, the voices of dissent in Shanghai remain under tight control.

Shanghai's "Grandfather of Dissent", author and critic Wang Ruowang is still under virtual house arrest and cannot leave the city let alone go abroad.

Journalist Zhang Weiguo, who is out on bail pending further investigation, has been told by the Shanghai police that he can leave the country but the authorities are still holding his passport.

The former Beijing correspondent for the now defunct World Economic Herald newspaper has also had his small salary from the Shanghai Academy of Social Sciences withdrawn.

A third dissident, the former deputy editor in chief of the Herald Zhu Xingqing who was rehabilitated after his involvement in the 1989 democracy movement has now been dismissed from his post in the Academy for taking an unauthorised trip to the north and west of China, sources in Shanghai said yesterday.

Zhu, who had occupied a relatively senior and privileged position in the think tank, was informed by the academy's Communist Party leaders on Saturday that he would be completely out from the academy, the sources said.

Furthermore, an underground democracy group which had been active in the city earlier this year has been forced to cancel all its activities for fear of arrest following an intensive police crackdown this summer.

The contrast between the seemingly relaxed atmosphere in Beijing and the Draconian controls still in place in Shanghai is reflection of the central Government's desire to give the impression of a more liberal policy towards dissident intellectuals following United States' Secretary of State Mr. James Baker's visit to Beijing last month, one Shanghai dissident who asked not to be named said.

"International concern is focused almost exclusively on Beijing. No one really cares or understands what is happening in Shanghai or elsewhere, so the authorities here can ignore our basic human rights with virtual immunity," he said.

"Letting Dai Qing and Hou Xiaotian out of the country creates a good impression in the United States and also gets rid of two major trouble makers," he added.

Wang agrees that little has changed in Shanghai since Mr. Baker's visit.

Speaking at his small apartment in the west of the city, Wang said: "I cannot detect any noticeable effect (of the visit) on Shanghai."

Wang has a long-standing invitation from New York's Columbia University to teach as a visiting scholar and is very keen to take up the offer but has yet to be told if he can accept.

Neither is he very optimistic about the prospects of being granted permission to leave the country in the near future.

"I don't think there is any point in even applying for an exit permit," he said.

The 74-year-old veteran critic is still treated very much as a special case by the authorities in Beijing and has been classified as "China's most troublesome dissident" after his active participation in the 1989 democracy movement.

Wang has been watched very closely since his release from jail one year ago and the authorities have been quick to act every time he has stepped out of line.

Only three days after Wang wrote an article for a Hong Kong newspaper about the effects of the Soviet coup on China, the deputy head of the Communist Party's Propaganda Department Mr. Xu Weicheng ordered that Wang be severely criticised for his dissenting views.

Wang's wife Ms. Yang Zi was also criticised for failing to keep her husband in line, a role she had promised to undertake when he was released from jail.

Although Wang can now write for foreign publications again he says he has to be careful not to write anything that might antagonise the Government in Beijing.

He is currently working on his autobiography, the first volume of which was published in Hong Kong this April but says he only plans to go up to 1979.

"Writing about the Cultural Revolution is all right because I am just recounting my personal experiences in jail but if I start to write about the post Cultural Revolution era there is a good chance I might offend someone in power," he said.

Zhang too does not feel the Shanghai authorities' offer to let him leave the country is an indication of a more liberal attitude towards intellectuals.

"I think they are just trying to get rid of me," he said yesterday.

"The Government has noticed the failure of Chinese dissidents abroad to form any kind of effective opposition so they clearly think letting people like me go is a good solution to their problems," he said.

Song Ping on Party Building at Organization Forum
OW1312174591 Beijing XINHUA in English
1628 GMT 13 Dec 91

[Text] Beijing, December 13 (XINHUA)—Song Ping, a member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), today urged greater efforts to build up the party's strength.

Song made the remark at a forum which was attended by the heads of provincial and regional and municipal party organization departments.

The forum which was held in Beijing was convened to study party's organization activities for 1992 to ensure they are in accordance with the resolutions of the Eighth Plenary Session of the 13th CPC Central Committee.

Song pointed out that convening of the 14th Congress of the CPC is significant to the realization of the second strategic objective, as well as to enhancing China's overall national strength, and construction of socialism with Chinese characteristics.

He said that all party members and officials should attain a deep understanding of the basic party line and make every effort to ensure it is carried out.

Song stressed that the selection of party cadres must adhere to party rules.

The political stand and performance of prospective cadres and their achievements in carrying out the policies of economic reforms and opening to the outside world should be emphasized in the official selection process, said Song.

He noted that cadres who have practical experience are the main source in the party's official selection process.

Ding Guangen an alternate member of the Political Bureau and head of the United Front Work Department of the CPC Central Committee, also attended the forum and spoke of the party's united front activities.

Discipline Issue 'Severely' Handled

HK1412083391 Hong Kong WEN WEI PO
in Chinese 14 Dec 91 p 2

[By staff reporter Chen Chien-ping: "CPC Decides To Severely Handle Cases of Party Members Violating Discipline"]

[Text] Beijing 13 Dec (WEN WEI PO)—An authoritative person disclosed that the CPC top echelon has recently explicitly said that assessing party members through democratic discussions will become a long-term basic system from now on, and will be conducted once a year. The central authorities stressed that at present, in handling cases of unqualified party members, it is necessary to correct the tendency of showing excessive leniency in meting out organizational penalties. All cases

of party members violating discipline must be severely dealt with. It was learned that some 790,000 cases of unqualified party members had been dealt with in assessment through democratic discussions over the past three years.

This authoritative person said, the top echelon believes that unfolding assessment of party members through democratic discussions is a good and effective way for handling a political party's work and for party members to accept mass supervision. The top echelon believes that there are actually quite a few unqualified party members, some of whom have failed to pass tests and others have degenerated into corrupt elements. That being the case, it is imperative to strictly run the party. If a political party fails to have such sobriety and consciousness, it will separate from the masses.

The authoritative person said, the Central Committee has explicitly said that through assessing unqualified party members through democratic discussions, it is presently necessary to correct the tendency of showing excessive leniency in meting out organizational penalties, while stressing that all cases of party members violating discipline must be severely dealt with. Those who should be expelled from the party must be expelled without hesitation, and such a penalty should not be replaced with any other form of penalty. Those cases that should be severely dealt with should not be given a light penalty or given a deadline for correction. Regarding party members who have not markedly violated party discipline but failed to play a party member's role, while failing to correct themselves through education, they have in actuality failed to meet the criteria for party membership. Regarding such party members, such measures as advising them to withdraw from the party, removing their names from the rolls, or setting a deadline for them to correct themselves should be adopted on an individual basis according to their actual conditions. In a nutshell, it is necessary to constantly commend advanced party members, while promptly and effectively dealing with and weeding out unqualified party members and a small handful of corrupt elements, including assessment through democratic discussions.

In the assessment through democratic discussions over the past three years, some 790,000 cases of party members violating discipline or being unqualified have been handled with party discipline meted out, 220,000 of whom were advised to withdraw their party membership, had their names removed from the rolls, or had their qualifications for reserved party membership canceled; 150,000 were given demerits and other penalties; and 420,000 were given a deadline to correct their errors.

Yang Rudai on Studying 'Deng Xiaoping's Thought'

OW1312200191 Beijing XINHUA in English
1552 GMT 13 Dec 91

[Text] Chengdu, December 13 (XINHUA)—*Deng Xiaoping's New Development of Mao Zedong Thought* was released today in Chengdu, the capital of Sichuan Province.

The book systematically introduces the great contributions made by Deng in advancing and developing Mao Zedong Thought.

Yang Rudai, party secretary in Sichuan Province, said the release of the book is of great historical and practical significance.

Yang said the study and research of Deng Xiaoping's Thought is an important aspect in the study of Mao Zedong Thought. According to Yang, such study is also an important aspect in guiding activities during in the current period of change. He urged Chinese citizens to apply the thought of Deng Xiaoping to their work.

More on Wang Zhen Hailing Release of Mao Series

HK1112031591 Beijing GUANGMING RIBAO
in Chinese 23 Nov 91 p 1

[Report: "Wang Zhen Sends Letter Greeting Release of Video Lecture Series on Second Edition of *Selected Works of Mao Zedong*"]

[Text] The Central Party Literature Research Center and the State Education Commission:

I am very glad to see the release of this video lecture series on the second edition of Volumes I through IV of *Selected Works of Mao Zedong*. I write to congratulate you on the release of this video lecture series.

The publication of the second edition of *Selected Works of Mao Zedong* is an event of great political and historical significance, and an important step toward promotion of the study of Marxist theory. Volumes I through IV of *Selected Works of Mao Zedong*, which were written in the period of the new democratic revolution, played a great part in guiding the Chinese people's revolution to victory. They are scientific works that have stood the test of history, and they are also the record of the application and development of Marxism-Leninism in China. The stand, viewpoint, methods, and the series of tenets and principles of Marxism embodied in these works were, are, and will continue to be a powerful ideological tool guiding the whole party and the people of all nationalities throughout China in the revolution and construction. After the Third Plenary Session of the 11th CPC Central Committee, the CPC central authorities, with Comrade Deng Xiaoping as the core, upheld and developed Mao Zedong Thought, put forth the theory on the construction of socialism with Chinese characteristics, set the party's basic line for the present stage, and made new tremendous contributions to the socialist cause. Today, the party's central authorities, with Comrade Jiang Zemin as the core, are steadfastly forging ahead along the road to socialism with Chinese characteristics. Taking the effort to arm all party members and cadres with Mao Zedong Thought as a long-term basic task, the party's central authorities have demanded that cadres at all levels, especially leading cadres at and above county level, use *Selected Works of Mao Zedong* as required political reading and study them conscientiously and

regularly. You at the Central Party Literature Research Center and at the State Education Commission have done a very significant job in producing this video lecture series and applying electronic audiovisual aids to the study of *Selected Works of Mao Zedong* and the propaganda of Mao Zedong Thought. Because of an unexpected matter I cannot attend the premiere of this video lecture series. But I am sure that it is bound to serve as an effective aid for the vast numbers of cadres and the broad masses in their study of the second edition of *Selected Works of Mao Zedong*, and it will certainly bring about a still greater upsurge in the study of Mao Zedong Thought.

[Signed] Wang Zhen

[Dated] 22 November 1991

Article on Liu Shaoqi as Marxist Theorist

HK0912121591 Beijing RENMIN RIBAO in Chinese
25 Nov 91 p 5

[By Zhu Yuanshi (2612 0337 4258): "Model in Propagating Marxism-Leninism—Notes on Studying Liu Shaoqi's Writings"]

[Text] As a great Marxist, Liu Shaoqi attached great importance to studying and propagating Marxist theories. Especially at the turning points of the Chinese revolution, Liu Shaoqi, with his outstanding mettle, never failed to display his revolutionary pioneering spirit, demonstrate his tremendous courage in theoretical studies and the style and quality unique to the Chinese communists mainly epitomized by Mao Zedong, and consequently pointed out the path for success of the Chinese revolution and the construction cause thereafter.

As a scientific world outlook and methodology, Marxism is the ideological weapon shared by the proletariat all over the world in understanding and transforming the world, and is their common theoretical asset. It applies to the East as it does to the West. Nevertheless, "the extent to which a theory is fulfilled in a country is determined by the extent to which this theory satisfies the needs of this country." It is by no means accidental that Marxism was accepted by China, where it took root. After the Opium War of 1840, the independent feudal society of China gradually became a semicolonial and semifeudal society. With the changes in China's social and economic relations and social nature, as well as the changes in conflicts and class relations in the Chinese society, the conflict between imperialism and the Chinese nation and between feudalism and the general public became the principal conflicts in the Chinese society in modern times, with the former as the predominant one. To save the nation from subjugation and ensure its survival, the Chinese started off by trying hard to obtain weapons from the ideological arsenal of the Western bourgeois revolutionary age, only to find them ineffective, and the attempt fell through. It was not until the "salvos" of the October Revolution of 1917 in Russia

were sounded that the advanced elements in China found Marxism-Leninism. Starting then, things took a big turn.

Liu Shaoqi experienced those happenings. He was among those who went to Soviet Russia to receive the live cinders of revolution, and he was therefore thoroughly conversant with the situation, which he described this way: "No sooner had Marxism-Leninism been passed on to China than the advanced elements of China accepted it. Through the study and propaganda on the Marxist-Leninist theories by these advanced elements, the CPC was organized. The CPC's birth was due, first, to the growth of the Chinese working class and, second, to the development of the world proletarian revolutionary movement and the victory of the Russian October Revolution. The third direct cause was study, research, and propaganda on Marxism-Leninism."

The social reality of China and the Chinese people required Marxism. This was the inexorable objective trend that enabled Marxism to be extensively disseminated and developed in China. What constituted the strong vitality of Marxism that was expressed in the course of its dissemination and development in China was the integration of theory and practice. In China, the land that had suffered all kinds of trials and tribulations and disgrace from abroad, the integration of Marxist-Leninist theory with China's reality instantly [as published] gave birth to Mao Zedong Thought. The Chinese revolution thereupon gradually started to turn for the better on its tortuous path.

Studying, researching, and propagating Mao Zedong Thought went through a similar course, to which Liu Shaoqi made special contributions. After he started following Mao Zedong's correct line and truly understood Mao, he spared no effort in propagating Mao Zedong Thought and took care to use it as a means to identify and criticize various incorrect non-Marxist ideologies in the party. In 1943, after arriving in Yanan, he made an important exposition on the role and status of Mao Zedong and his ideology in the history of the Chinese revolution. He pointed out: Over the 22 years since its inception, the CPC stood up to stern tests from various quarters in three consecutive nationwide revolutionary wars. It experienced many victories and many setbacks, and it has been on a very tortuous road till today. Through all this, it has managed to make itself particularly strong and equip itself with especially rich experience in revolutionary struggle in various respects. It has gone through all kinds of complicated revolutionary struggle, whether armed or unarmed, civil wars or a national liberation wars, overt or covert, economic or political, outside the party or within the party, and has accumulated rich experience. "What is particularly worth pointing out is that through the 22-year-long protracted, harsh, and complicated revolutionary struggle, our party, the proletariat in our country, and the revolutionary people of our country have finally found their own leader, Comrade Mao Zedong, who is a

great, unswerving revolutionary, well-versed in the 22-year-long complicated revolutionary struggle of various kinds, expert in Marxist-Leninist strategies and tactics, and boundlessly loyal to the Chinese working class and the cause of liberating the Chinese people."

Liu Shaoqi believed that making a good summary of the CPC's experience in the struggle in various respects under the guidance of the universal principle of Marxism-Leninism was one of the most important tasks of the whole party at that time, because it was the most important link in the effort to bring the whole party together, educate and improve it, and even to win the victory of the Chinese revolution.

The party had extremely abundant experience in struggle that needed summing up. But at that time, the most important thing was to tell true Marxism from the false. Liu Shaoqi emphasized: There are true and false Marxism and Marxists. The most important reason that our party encountered many setbacks and failures in the past that should not have been experienced and made many unnecessary detours is that false Marxists existed in our party. Many party members unconsciously and blindly followed these false Marxists, so that these people (by which Liu Shaoqi mainly meant Wang Ming and his like, who had committed "Left" or Right mistakes) could occupy the leading posts of some organizations and certain movements, and even of the whole party at times. As a result, the revolutionary movement was misguided into a painful and difficult path. This is a bitter lesson that all our party members must learn and take as a warning.

After pointing out that our party has suffered great losses caused by sham Marxists, Liu Shaoqi explained: In the party's past experience, there was a struggle between two lines, one being the correct line represented by Mao Zedong and the other the incorrect line represented by opportunists of various factions. Under most circumstances, the incorrect line was in check. But its ideological system was never thoroughly overcome, liquidated, or fatally shattered. Therefore, when opportunity came, or at certain times and under certain conditions, it would rise again and grow wild, harming the party. It is high time to thoroughly sort it out ideologically, politically, and in work. Liu Shaoqi maintained: Only by so doing can we learn from past mistakes to avoid future ones, safeguard the organizational unity and discipline of the party, ensure continuously correct leadership by the party, and lead the Chinese revolution to victory in the future. Otherwise, we would be unable to fulfill well the historical mission of our party as an advanced political party in the harsh, complicated, but great era. Liu Shaoqi said: This piece of work has been done or, in some places, is being done. This is the movement of rectifying three tendencies called for by Mao Zedong. On the basis of the rectification movement, we should sum up the rich experience that our party has accumulated over the past 22 years, thoroughly liquidate opportunism in the ideological system, and bring the Bolshevik quality of our party to a higher stage. This is the central task for our

party building today. To this end, Liu Shaoqi made an appeal that all cadres and party members research and study attentively Mao Zedong's theory of Chinese revolution and other issues, equip themselves with "Comrade Mao Zedong's Thought," and stamp out the opportunistic ideology in the party with "Comrade Mao Zedong's ideological system." Liu Shaoqi's proposition for thoroughly liquidating opportunism in the ideological system was representative of the aspiration of the whole party at that time, and reflected the demand of the times. During this struggle to liquidate opportunism in the ideological system, "Mao Zedong Thought," the crystallization of the entire party's collective wisdom, was ready to emerge as a theoretical concept in the entire party.

In 1945, the Seventh CPC Congress was convened. In his "Report on Revision of the Party Constitution," Liu Shaoqi, at a time when conditions were ripe, gave a systematic and eloquent explanation of why Mao Zedong had become the leader of the entire party and why Mao Zedong Thought has become the guiding ideology of the party. He soulfully pointed out: The party Central Committee, headed by Comrade Mao Zedong, exercises leadership by Marxist-Leninist principles and enjoys boundless prestige. It has a large number of well-trying cadres who are armed with Marxism-Leninism-Mao Zedong Thought and are competent to shoulder the cause guided by the party Central Committee and Comrade Mao Zedong. One of the important reasons why our party has achieved great successes is that Mao Zedong Thought has been applied as the guide for all its work.

Liu Shaoqi said: In the past 100 years and more, the deeply suffering Chinese nation and people have accumulated innumerable experiences in the blood-shedding self-emancipation struggle. These actual struggles and experiences obtained have inevitably led to the formation of the party's own great theory, so that our nation is not only a nation that has strong fighting capabilities, but also one that has modern scientific revolutionary theory. Such a theory can only be created by the representatives of the Chinese proletariat, of whom the greatest and most outstanding is Comrade Mao Zedong. Our congress should ardently welcome the fact that since the founding of the CPC, there has been created and developed a unique, integrated, and correct theory concerning the Chinese people's revolution and national reconstruction. This theory has led our party and our people to extremely great victories and will continue to lead them to ultimate and complete victory and liberation. This theory is none other than Mao Zedong Thought, i.e., Comrade Mao Zedong's theory and policy in regard to Chinese history, society, and revolution.

What is Mao Zedong Thought? Liu Shaoqi said: It "is the theory that unites Marxist-Leninist theories with the actual practice of the Chinese revolution. It is China's communism and China's Marxism"; "it is the further development of Marxism in relation to the national-democratic revolution in a colonial, semicolonial, and

semifeudal country in the present period. It is a fine example of Marxism applied to a given nation." Liu Shaoqi pointed out: Our party and many party members were once not theoretically prepared enough, and therefore went through a distressing period of much wavering and exploring and made many unnecessary detours. But now Mao Zedong, with his painstaking work and talented creation, has fully prepared the CPC and the Chinese people theoretically, which will greatly boost the confidence and fighting capacity of our party and the Chinese people and maximally speed up the process of victory of the Chinese revolution. Therefore, an important task at present is to mobilize the entire party to study Mao Zedong Thought, propagate Mao Zedong Thought, and equip our party members and the revolutionary people with Mao Zedong Thought, so as to turn it into a practical, indomitable force.

It was through the efforts of Liu Shaoqi and other outstanding Chinese communists that the Seventh CPC National Congress correctly summed up the experience in the CPC-led Chinese revolution, formulated the party's line, designated Mao Zedong Thought as the governing ideology of the whole party, brought unprecedented solidity and unity to it, laid an unshakable foundation for the final victory of the War of Resistance Against Japan, and thus created the precondition for the continuation of the victorious Chinese revolution. Thereafter, the vessel of Chinese revolution plowed through the waves in fuller sail to meet one victory after another. Four years later, the world-shaking People's Republic of China was founded, and the Chinese people stood up.

After the founding of New China, the new circumstances alerted Liu Shaoqi to the fact that the propaganda and theoretical work on a nationwide scale was still a major weakness of our party, and it was necessary to upgrade understanding of Marxism-Leninism-Mao Zedong Thought by ordinary party members and those holding leading positions. Without a large number of cadres responsible for propaganda and theoretical work, the CPC would be unable to lead such a big country to socialism. At a national propaganda conference, he rightly pointed out: Through nearly 30 years of struggle, the CPC has succeeded in its revolution. During the long-term, arduous revolutionary struggle, we propagated Marxism-Leninism on an extensive scale on the one hand, so that Marxism-Leninism with its European origin was given a Chinese national form and closely integrated with the actual life and struggle of the Chinese working people through the propaganda and endeavor of our party. Therefore, Marxism-Leninism became a powerful weapon and fighting flag of the Chinese working people in their revolutionary struggle. On the other hand, we enriched and developed Marxist-Leninist theory in an extremely profound sense and added many new weapons to the general arsenal of Marxism-Leninism. In other words, Chinese communists, because of their boundless loyalty to the Marxist-Leninist principles and correct application of these principles, most

effectively propagated Marxism-Leninism among the Chinese people by integrating it with the reality of Chinese revolution and achieved great successes. Conditions now are completely different from before, but educating people in the ideological principles of Marxism-Leninism on a nationwide and overall scale remains the most fundamental political task of the CPC. In order to proceed toward socialism and communism, we must first lay an ideological foundation and educate ourselves and the whole nation on the stand, viewpoint, and methodology of Marxism-Leninism. This is the party's task in propaganda under today's circumstances and conditions.

Liu Shaoqi said: In our policy today, we still allow bourgeois, petty bourgeois, and peasant economies to exist. Not just exist; we should also let them develop. But their ideological systems are not correct. Their approach would not keep China in good shape. With bourgeois ideology, China would be unable to evolve to socialism and would end up with capitalism. Therefore, while stamping out imperial and feudal ideologies, we must criticize all other nonproletarian ones. Only by so doing can we establish the leadership of Marxism-Leninism, the ideology of the working class. Establishing the leadership of Marxism-Leninism, i.e., the ideology of the working class, and consolidating and strengthening such leadership is the precondition for strengthening the leadership of the working class in politics and the economy. According to the situation at that time, Liu Shaoqi stressed the need to pay attention to ideological struggle. He said: "Within the party, only one ideology, i.e., the proletarian ideology of Marxism-Leninism, is recognized as legitimate. Outside the party, nonproletarian and non-Marxist-Leninist ideologies are still legitimate, but they should be criticized and their mistakes pointed out. People within and outside the party must be treated differently. We should be aware of those ideologies in the garb of Marxism-Leninism which are in reality nonproletarian or anti-Marxist-Leninist. Communists should have such a sense. In a word, ideological struggle should be given attention in the party and outside the party."

On some other occasions, Liu Shaoqi touched on the issue of ideological remolding. He held that people in various professions should all study the basics of Marxism-Leninism-Mao Zedong Thought and understand the law of social development, the historical functions of their own careers, and the basic methodology.

In view of the serious subjectivist mistakes in many cadres' mind and work, Liu Shaoqi demanded systematic effort to enhance the whole party's understanding of Marxism-Leninism in his political report delivered at the Eighth CPC National Congress. First, we must conscientiously strengthen the systematic study of Marxism-Leninism by cadres, above all, high-ranking cadres, to enable them to use the Marxist-Leninist stand, viewpoint, and methodology to observe and solve problems in real life, increase their power to find the right direction and differentiate between right and wrong, and

learn to study and sort out their experiences with Marxist-Leninist theories and find the regularity of the development of concrete things in their experiences. Second, it is imperative to strengthen education on the integration of theory with practice among the broad ranks of new party members to enable them gradually to understand the Marxist-Leninist stand, viewpoint, and methodology; grasp the basics of the general principles of Marxism-Leninism, the party's history, and the status quo of our socialist cause; and see the harm of subjectivism, including doctrinairism and empiricism. It is necessary to focus on helping party recruits from the intellectuals see the harm of doctrinairism. Third, it is imperative to strengthen the party's theoretical work. We should rapidly concentrate necessary forces from within and outside the party that engage in research work on Marxism-Leninism to study the major issues and basic experiences concerning our socialist transformation and construction, the current international issues, and the basic theories of Marxism-Leninism and closely related sciences, and make these studies serve the urgent needs of the current actual work of the party and what is urgently required by the education on Marxism-Leninism and integration of theory with practice among the broad ranks of party members and young people.

True, there did emerge some deviations in propagating Mao Zedong Thought later as it was vulgarized and associated with everything under the sun. Even a slight increase in the sales volume of a shop would be termed as a victory of Mao Zedong Thought. Besides, there was also the phenomenon of separating Mao Zedong Thought from Marxism-Leninism, as if the former were something else. For this very reason, the CPC Central Committee gave a special instruction in 1960 that no one should mention studying Marxism-Leninism and studying Mao Zedong Thought as parallel concepts to avoid the misunderstanding of Marxism-Leninism and Mao Zedong Thought as two separate ideas. The instruction said that Mao Zedong Thought itself is Marxism-Leninism and a major development of Marxism-Leninism.

Liu Shaoqi once made an appeal that the whole party should model itself on Comrade Mao Zedong, the outstanding propagator of Marxism-Leninism, and "propagate Marxism-Leninism as Comrade Mao Zedong does." We think Liu Shaoqi is also an example, and we should model ourselves on them both and propagate Marxism-Leninism as they instructed!

Jiang Zemin Discusses Role of Social Sciences

OW1412183791 Beijing XINHUA Domestic Service
in Chinese 1202 GMT 14 Dec 91

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 14 December (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee,

expressed the hope that philosophy and social science workers throughout the country would firmly and wholly implement the party's basic line of one center, two basic points; employ Marxist world outlook and methodology to conduct scientific research; and constantly add new splendors to socialism with Chinese characteristics.

Jiang Zemin made the above remarks when he met with comrades attending a meeting for drawing up work in the field of philosophical and social sciences during the "Eighth Five-Year" Plan period and a work meeting of the Chinese Academy of Social Sciences this morning.

In his speech, Jiang Zemin said: Our party has always attached importance to the development of philosophy and the social sciences. Social science workers should employ a Marxist world outlook and methodology to conduct scientific research; theoretically further summarize the specific connotation of the socialist road with Chinese characteristics; probe into various major theoretical questions and actual problems in developing socialist economics, political science and culture with Chinese characteristics; study and analyze international issues in the changeable world; and serve socialist modernization and reform.

Jiang Zemin said: Social science workers should firmly and wholly implement the basic line of one center, two basic points put forward by Comrade Deng Xiaoping. He emphatically pointed out that, in all our work, we must closely focus on the central task of economic construction. We should make full use of the 10-year period preceding the year 2000, which is a period relatively favorable to us, to promote the economy. Practice in the past more than 10 years has fully proven that the policy of reform and opening up to the outside world is correct. We should firmly implement the policy of reform and opening up to the outside world. Meanwhile, we must adhere to the four cardinal principles. We should firmly proceed along the course of building socialism with Chinese characteristics.

Jiang Zemin said: We should cherish our country's stable situation at present. Experiences at home and abroad from ancient times to the present have proven that an unstable society cannot promote the economy. Now, despite the fact that there are still some difficulties on our road of advance and some unsatisfactory things in our real life, as long as we advance daily along the party's basic line, the future will be bright. If we can maintain this stable environment and advance along this line, the superiority of socialism will be greatly demonstrated in the year 2000. We have confidence in the sure victory of socialism.

Jiang Zemin said: Since the founding of New China, philosophic and social science researchers, like their counterparts in other departments, have made useful contributions to our socialist construction and reform. I hope you will continue with your research and make even greater contributions to the construction of a Chinese-style socialist society with even greater splendor.

Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, also addressed the meeting. He said: All the major and complex issues of the world today are either directly or indirectly associated with philosophy and social sciences. Thus, anyone who is concerned with the international situation, socialist construction at home, or our motherland's destiny and future should be concerned with philosophic and social science issues, study them, and understand them.

Li Ruihuan said: While studying social sciences, we must regard Marxism as guidance, and firmly uphold basic Marxist theories. This being the case, all social scientists should read and study diligently so that they can really grasp the Marxist stand, viewpoints, and methods and correct—or shall we say change—certain people's unhealthy tendency of not studying hard properly, but talking glibly even though they read very little.

Li Ruihuan pointed out: Social scientists must face reality. They must study and understand real problems. They should study issues concerning Comrade Deng Xiaoping's concept of building a Chinese-style socialist society, issues appearing from implementing the basic party line characterized by one center and two basic points, and principles and policies the CPC put forward since the Third Plenary Session of the 11th CPC Central Committee; they should also sum up the practical experiences China has gained since it adopted the reform and open policy, and make earnest efforts to change the situation whereby these issues are not studied thoroughly and systematically.

Li Ruihuan continued: Social scientists must work in unity with higher morale, emancipate their minds, and seek truth from facts. Upholding the principle of letting a hundred flowers blossom and a hundred schools of thought contend, they should make earnest efforts to rejuvenate and enliven philosophical and social science studies so as to provide economic construction with spiritual power, intellectual support, and ideological guarantee, and so that their research can become the scientific basis for the party's decisions.

Also present at the meeting were Li Tieying, member of the CPC Central Committee Political Bureau; Ding Guangen, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat; Hu Sheng, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the Chinese Academy of Social Sciences; and Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, as well as responsible persons of relevant departments.

Notes 'Superiority' of Socialism

HK1612021191 Hong Kong SOUTH CHINA
MORNING POST in English 16 Dec 91 p 10

[By Chris Yeung]

[Text] Socialism with Chinese characteristics will demonstrate its superiority by the end of the century, according to the Communist Party General-Secretary, Mr. Jiang Zemin.

"If we maintain the stable environment and continue to follow the basic party line, the superiority of socialism will demonstrate itself by 2000," major Chinese newspapers quoted him as saying yesterday.

Mr. Jiang added that Chinese communists believe that "socialism is bound to win".

In a veiled reference to previous political movements on the mainland and the shake-up in the Soviet Union, he said: "The historical and present experiences in China and foreign countries show that instability impedes economic development.

"Though difficulties remain and there is much left to be desired, the party will develop along its charted course and its future is bright.

"We should treasure the stable situation in China," he told a work meeting on philosophy and social sciences.

The collapse of the Soviet Union has rung alarm bells in the communist leadership, which has stressed that socialism could only survive if it was able to make the economy prosper.

Internal documents have cited the economic hardship as one of the major reasons for the failure of the Soviet communists to stay in power.

In a lengthy report on the "grave crisis" in the Soviet economy, the NEW CHINA NEWS AGENCY [XINHUA] said yesterday: "The entire economic mechanism has gone out of control and is now in the process of disintegration."

Speaking at the same work conference, Mr. Li Ruihuan, who is in charge of ideology and propaganda, urged social scientists to "face up to, get to know about and study reality".

He called on scholars to sum up the practical experience of China's economic reform and open policy to avoid shallow and unsystematic study.

Mr. Li, known for his bold thoughts, stressed the significance of the policy of "letting 100 flowers bloom and 100 schools of thoughts contend".

Deng Liqun Pessimistic on 'Peaceful Evolution'

HK1412050091 Hong Kong SOUTH CHINA MORNING POST in English 14 Dec 91 p 13

[By Willy Wo-lap Lam]

[Text] Senior ideologue Mr Deng Liqun has expressed pessimism over the Chinese Communist Party's (CPC)

campaign against "peaceful evolution", the codeword for the United States' alleged plot to turn China into a "vassal of capitalism".

In an internal talk to an academic body, Mr Deng, a former propaganda chief, said: "It is easy to grasp the significance of the crusade against peaceful evolution, but much harder to put it into practice.

"Some people have expressed reservations about the need to combat peaceful evolution."

Mr Deng, sometimes called the "underground General Secretary" because of his control over the ideology and propaganda departments, also pointed out that the party might be losing control over its drive against corruption.

China analysts say that the influential ideologue has met resistance in his bid to turn the campaign against Western values and "neo-imperialist infiltration" into the core of party work.

Moderate leaders in the party, including patriarch Mr Deng Xiaoping, have in recent months upbraided the mass media for devoting too much attention to countering peaceful evolution, and not enough attention to economic reform.

Moreover, Mr Deng Liqun's efforts soon after the failed Soviet coup in August to form a Leading Group Against Peaceful Evolution within the Central Committee also seems to have been stalled.

Chinese sources said that the Leading Group would have been a "superagency" to renew Maoist class struggle against new manifestations of capitalism.

They said that soon after the turmoil in Moscow in August, the Central Party School established a special class to instruct senior cadres on ways to combat infiltration from hostile foreign forces.

The class was supervised by Politburo member and leftist elder Mr Song Ping.

But Mr Deng Xiaoping objected to the formation of the Leading Group, arguing that priority must still be given to economic construction.

'Leftist' Hold in Social Sciences Academy Boosted

HK1412053091 Hong Kong SOUTH CHINA MORNING POST in English 14 Dec 91 p 13

[By Willy Wo-lap Lam]

[Text] Leftist commissars controlling China's ideological establishment are boosting their hold over the Chinese Academy of Social Sciences (CASS), China's premier think-tank.

Chinese sources said the leftists planned to establish two new bodies, the Research Institute on Contemporary Marxism and the Institute on Scientific Socialism, as their bases for orthodox scholarship.

Internal security in CASS, which has ministerial status, has also been stepped up to prevent alleged "infiltration by foreign and domestic enemies".

The sources said the commissars were setting up the new institutes in a bid to weed out liberal scholars and plant their loyalists in the key brains trust.

Well-known academics from such CASS units as the Institute of Marxism-Leninism and the Institute on Political Science, were at the forefront of the democracy movement in 1989.

Soon after the Tiananmen Square crackdown, CASS authorities, who report to conservative patriarch Mr Deng Liqun, a former academy president, began a thorough house cleaning.

But the purge, which ended earlier this year, has failed to incriminate many liberals for want of evidence.

"The commissars' strategy is to let such bastions of liberalism as the Marxism-Leninism and the Political Science institutes die of natural atrophy," a cadre close to the CASS said.

He said, no money had been allocated for the Marxism-Leninism Institute, which was surviving on finances left over from previous years.

He said the unit would have been dissolved if it had not been founded by party elder and Chinese People's Political Consultative Conference chairman, Mr Li Xiannian.

The Scientific Socialism and Contemporary Marxism institutes are expected to be given easy access to funds.

Such leading ideologues as Mr Deng and the propaganda chief, Mr Wang Renzhi, are also rewarding their loyalists with senior positions in the two units.

At the same time, security within the CASS, which was placed under direct military supervision for a few months after the June 4 crisis, has been boosted.

The academy's security section has recently been upgraded to a security bureau, which is overseen by the Ministry of Public Security.

"The security guards wear police uniforms and are entrusted with the task of countering 'peaceful evolution', in the academy," a source said.

"They keep an eye on bourgeois-liberal academicians as well as overseas visitors and exchange scholars."

Meanwhile, the State Education Commission (SEC) has continued its investigation of recent dissertations by post-graduate students for signs of "bourgeois liberalisation".

Authors of objectionable theses are liable to have their degrees revoked if they do not recant their "Westernised" views.

Democratic, Buddhist Leaders on Human Rights

OW1512135891 Beijing XINHUA Domestic Service
in Chinese 0333 GMT 15 Dec 91

[Fei Xiaotong, Zhao Puchu Issue Talks Concerning the White Paper on 'Human Rights in China'—XINHUA headline]

[Text] Beijing, 15 Dec (XINHUA)—Fei Xiaotong, chairman of the Central Committee of the China Democratic League, and Zhao Puchu, president of the Buddhist Association of China, recently spoke to reporters concerning the White Paper on "Human Rights in China."

Chairman Fei Xiaotong of the Central Committee of the China Democratic League held that the White Paper is a detailed, convincing, and authoritative document with fresh viewpoints, and is worth reading by every person, including foreign friends, who concerns himself or herself with our country's human rights conditions.

Fei Xiaotong said: Since the founding of the People's Republic of China, the people have truly become the masters of their country. Through 42 years of hard work under the leadership of the CPC, the Chinese people have eliminated the system of exploitation and exploiting class in their own country and implemented the socialist system, and the problem of having enough food to eat and enough clothes to wear for the 1.1 billion people in the whole country has basically been solved. The right to exist, which is a principal part of human rights, has been guaranteed. This is universally acclaimed and is a universally acknowledged fact.

Since the Third Plenary Session of the 11th CPC Central Committee, Fei Xiaotong has traveled widely in China to carry out social investigations, especially in the rural areas. He is deeply impressed by the profound changes that have taken place in rural China and the profound changes in the peasants' life. He said: China's peasants account for 80 percent of the total population. The change in the peasants' life is a reflection of the fact that human rights conditions for the overwhelming majority of the Chinese people have been improved drastically.

Touching on the system of multiparty cooperation under the leadership of the CPC and the political consultative conference system being implemented in our country, Fei Xiaotong said: The CPC is the ruling party. It always consults with us on major policies and major issues of the state, and listens to our opinions seriously. Meanwhile, the CPC has absorbed members of various democratic parties to take part in running state affairs and to participate in the formulation and implementation of principles, policies, laws, and regulations of the state. Most members of the China Democratic League are advanced intellectuals in the cultural, educational, and scientific and technological fields. While trying to do a good job in their respective posts, they have actively participated in running and discussing state affairs, conscientiously reflected the opinions and demands of

the masses with whom they have contact, become an important democratic channel, and played an important role in the political life of the state and the building of socialist modernization. This has vividly demonstrated our country's special features and fine points of having socialist democracy with Chinese characteristics.

In his speech, Zhao Puchu, president of the Buddhist Association of China, said: Religious freedom is an important part of basic human rights. The birth of New China enabled the large number of Buddhists of all nationalities in our country to become true masters of the country and to genuinely enjoy the basic right of religious freedom. It ended a dark period during which the faithful were oppressed, exploited, discriminated against, and insulted.

He said: In New China, the citizens enjoy constitutional and legal protection of their religious freedom, and Buddhists enjoy unprecedentedly elevated social and political status and full political rights. People's congresses and Chinese People's Political Consultative Conference organizations at the national and local levels are represented by deputies and members from the Buddhist circles. These deputies and members participate in the administration and discussion of major state affairs. Buddhists of all denominations and nationalities have fostered a new type of relationship characterized by equal treatment, mutual respect, harmonious coexistence, and fraternal unity, thereby achieving great unity among Buddhists of all denominations, from all regions, and of all nationalities.

He said: Central and local people's governments have lent support to the Buddhist circles in establishing national and local Buddhist organizations, renovating temples, preserving Buddhist relics, developing Buddhist culture and education, resolving the problem of self-support for Buddhists, and developing international exchanges in Buddhist culture.

Zhao Puchu said: The White Paper on "Human Rights in China" systematically articulates our country's basic stand and line regarding the human rights issue and helps strengthen our faith in taking the socialist road under the CPC's leadership. We should draw on our personal experiences in expounding New China's human rights practices, especially its achievements in protecting its citizens' religious freedom, to relevant people at home and abroad.

CPPCC's Wang Renzhong Stresses Propaganda

*OW1412004891 Beijing XINHUA Domestic Service
in Chinese 0755 GMT 13 Dec 91*

[Text] Beijing, 13 December (XINHUA)—Wang Renzhong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], said here today: Giving high priority to strengthening propaganda on the system of multiparty cooperation and political consultation under the leadership of the CPC is a task not only for united front work

departments but also for all press and propaganda departments, as well as the vast number of journalists and propagandists.

Wang Renzhong was speaking at a ceremony for presenting awards to winners of the first appraisal of good reports in giving publicity to the CPC-led system of multiparty cooperation and political consultation.

In this first appraisal of good reports in publicizing political consultations, 17 articles were selected for first-class awards, 37 for second-class awards, 52 for third-class awards, and 42 for encouragement awards.

In his speech, Wang Renzhong said: We cannot do without the people's dictatorship, the system of people's congresses, nor the system of multiparty cooperation and political consultation under the leadership of the CPC if we are to adhere to the party's basic line, maintain a political situation in which unity and stability go hand in hand with liveliness and vitality, guarantee the people's position as masters of our country, and ensure lasting law and order of the state. He said: The purpose of the General Office of the CPPCC National Committee in deciding to hold annual appraisals of good reports on political consultations is to use it as a means to further mobilize the enthusiasm of central and local press units, further enliven domestic and foreign propaganda on the people's political consultations, and encourage the composition of more good reports in giving publicity to the system of multiparty cooperation and political consultation under the CPC's leadership so as to enable more people at home and abroad to understand the peculiarities and advantages of the political system in our country.

Wang Renzhong pointed out: A correct political direction and a task of the united front should be the basic political principles that must be followed by propagandists giving publicity to political consultations and the united front. He said: In carrying out their propaganda work, journalists reporting on political consultations and the united front should give top priority to a correct political direction and pay attention to grasping such basic principles and directions as the party's leadership and the socialist road. Second, they should grasp the task of the united front, that is, uniting the majority. He suggested that in the cause of building socialism with Chinese characteristics, we should unite any classes, social strata, parties, groups, organizations, or individuals that would contribute to the four modernizations, the reunification of China, national unity, social progress, and the well-being of the people, as well as the defeat of the infiltration and peaceful evolution by hostile forces at home and abroad.

In his speech, Wu Lengxi, chairman of the All-China Journalists' Association, expressed the hope that the vast number of journalists would further strengthen propaganda on political consultations and the united front to

let more people at home and abroad understand the peculiarities and advantages of the political system in our country.

Lu Yunchao, deputy secretary general of the National Committee of the CPPCC, briefed the meeting on the appraisal of the good reports on political consultations. Liu Zhenying, a reporter of the Central People's Broadcasting Station, addressed the meeting on behalf of the award winners.

Wang Renzhong, Hong Xuezhong, Ma Wenrui, Wang Guangying, Song Dehai, Zeng Tao, Li Yan, Song Kun, Zhao Wei, Ye Zhishan, Zhu Zuolin, and Sun Yiqing presented awards to the winners.

Journalists' Group Studies Plenum Guidelines

OW1212143191 Beijing XINHUA Domestic Service
in Chinese 1027 GMT 12 Dec 91

[Text] Beijing, 12 December (XINHUA)—The three-day second meeting of the fourth Executive Council of the All-China Journalists' Association ended today. At the meeting, some 30 executive directors from central, provincial, municipal, and autonomous regional press units earnestly studied the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee, and held extensive discussions on publicizing and implementing the decisions of the party Central Committee as well as tentative plans for next year's tasks.

Wu Lengxi, executive chairman of the All-China Journalists' Association, chaired the meeting and made a speech. Comrades Shao Huaize and Li Yan also addressed the meeting. All the executive directors at the meeting held that the guideline "study, study, more study; in-depth, in-depth, more in-depth," put forward by Comrade Jiang Zemin, is important to us during our efforts to better exercise our role as journalists, and to improve our ranks. The All-China Journalists' Association should adopt various methods to raise the ideological and professional quality of journalists, further implement the "Standards of Chinese Journalists' Professional Ethics", uphold the principle of party spirit in journalism, and work hard to correct unhealthy tendencies. Furthermore, it should strengthen ties with the press more extensively, and unfold activities to provide multilevel and diversified services.

In his speech, Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, said that during the past year the All-China Journalists' Association has made great headway in its work. He expressed the hope that in the new year, the association would continue to work hard to improve the ranks of journalists, and do well in friendly exchanges with the international press as well as those from Hong Kong, Macao, and Taiwan.

The session also elected Yao Zhineng and Zhulanqique to fill the vacancies for executive directors.

Sports Minister at Conference on Ideological Work

HK1112071391 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 8 Dec 91

[Excerpts] A national conference on ideological and political work for outstanding sports teams opened in Zhengzhou yesterday. This is the largest meeting of its kind since the meeting held in Qinhuangdao in 1986.

Wu Shaozu, minister of the State Physical Culture and Sports Commission, made a speech at the opening ceremony entitled Carry on the Fine Tradition, Inspire Revolutionary Enthusiasm, and Work Hard To Open Up New Prospects for Ideological and Political Work for Sports Teams. [passage omitted]

In his speech, Comrade Wu Shaozu said: To fulfill the tasks for sports undertakings, we must conscientiously carry out the party's basic line, give full play to our political advantages, and attach importance to and improve ideological and political indoctrination. Under the current situation, it is necessary and important to hold a national conference on ideological and political work for sports teams to conscientiously analyze basic experiences in conducting ideological and political education for sports teams nationwide over the last 10 years, analyze and study the sports teams' ideological trend, and formulate measures to strengthen and improve ideological and political work.

The meeting, which will last five days, will discuss a resolution made by the State Physical Culture and Sports Commission on improving ideological and political indoctrination for outstanding sports teams and outlines of teaching materials for conducting ideological and political education for outstanding sports teams. The meeting participants will also exchange advanced experiences. [passage omitted]

Bo Yibo, Song Renqiong Messages

OW0912001291 Beijing XINHUA Domestic Service
in Chinese 1601 GMT 8 Dec 91

[By reporter Zhao Pingan (6392 1627 1344)]

[Text] Zhengzhou, 8 December (XINHUA)—The National Conference on Ideological and Political Work in Outstanding Sports Teams began in Zhengzhou today, along with the formal establishment of the mass organization the All-China Institute of Ideological and Political Work in Sports Organizations.

Wu Shaozu, minister in charge of the State Physical Education and Sports Commission [SPESC], gave a speech entitled: "Carry Forward Fine Traditions, Heighten Our Revolutionary Spirit, and Strive To Open a New Situation for Ideological and Political Work in Sports Teams."

Following its inception today, the first council of the All-China Institute for Ideological and Political Work in Sports Organizations hired Minister Wu Shaozu to be

honorary president; Vice SPESC Minister Yuan Weimin, as well as Zhang Caizhen, to be advisers; Vice SPESC Minister Liu Ji to be president; and Wen Jinqing, and eight others to be vice presidents of the institute.

Bo Yibo and Song Renqiong, vice chairmen of the Advisory Commission of the CPC Central Committee, inscribed messages for the conference.

Li Desheng, Hu Qiaomu at Commendation Meeting

*OW0912145891 Beijing XINHUA Domestic Service
in Chinese 1048 GMT 9 Dec 91*

[Text] Beijing, 9 December (XINHUA)—A discussion on the special subject "Where Does the Masses' Enthusiasm Come From," jointly sponsored by 19 units including ZHONGGUO GONGSHANG BAO [0022 0948 1562 0794 1032 CHINA INDUSTRIAL AND COMMERCIAL NEWS], concluded. Today a summation and commendation meeting was held at the Great Hall of the People.

Since this discussion activity started eight months ago, the National People's Congress, All-China Women's Federation, All-China Federation of Trade Unions, the Central Committee of the Communist Youth League, the Central Party School, the Chinese Academy of Social Sciences, and all other circles have universally paid close attention to it. Contributed articles have been received from the country's 30 provinces, municipalities, and autonomous regions. Of these articles, 80 percent come from cadres, staff members, and workers at the grass-roots level. Many experts and scholars have also written articles one after another, thus raising the theoretical level of the discussion. More than 1,000 contributed articles have revealed a common truth: The masses' enthusiasm for the development of socialism comes from the continuous deepening of reform and opening up, the unity and leading role of all leading groups, the reaffirmation of the masses' status as the master of their own affairs, solid and effective ideological and political work, the scientific method of management, the leaders' concern for the masses, and a good encouraging environment.

Wang Shoudao, Li Desheng, and Hu Qiaomu—members of the Standing Committee of the Central Advisory Commission—as well as other leading comrades were present at the summation and commendation meeting, and issued certificates to the award-winning units.

Minister Discusses Nationwide Supervisory Work

*HK1612120091 Beijing RENMIN RIBAO in Chinese
10 Dec 91 p 3*

[By reporter Jia Zhaoquan (6328 2507 0356): "China's Supervision Work Embarks on Road to Legalization"]

[Text] Beijing, 9 Dec—Minister of Supervision Wei Jianxing today accepted an interview by this reporter

where he spoke on the implementation of the "PRC Regulations on Administrative Supervision" around the country over the past year.

Wei Jianxing said: It has been a year since the "PRC Regulations on Administrative Supervision" (henceforth known as "regulations") was signed and promulgated by Premier Li Peng on 9 December 1990. The principal achievements in the implementation of the "regulations" over the past year are:

First, the leading comrades in many local governments and government departments acquired a better understanding of the nature, role, and effect of administrative supervision, and were able to step up management of supervisory work in their respective localities and departments. As stipulated by the "regulations," the regular meetings of the people's government in which the person in charge of the supervisory organ is invited to attend should vigorously support the supervisory organ in performing its functions within the confines of the law and assist it in solving existing problems in working and living conditions. This is an important guarantee for the smooth progress of administrative supervisory work at all localities.

Second, many administrative organs and their staff members have realized that the "regulations" not only provide the fundamental laws and regulations concerning administrative supervisory work, but also set down some important criteria governing the administrative behaviors of administrative organs and their staff members. As a result, this has made them accept supervision and support supervisory work more readily and also enhanced their concept of clean government and administration by law. In their practical work, they were able to support actively the administrative supervisory organ's work, including the supervision of law enforcement and investigation of cases; seriously study and implement the organ's suggestions and decisions on supervision; and voluntarily report on situations as well as cases of irregularities to the supervisory organs.

The more than 4,000 special supervisors who were recruited from all sectors in society by supervisory organs above county level around the country took an active part in various undertakings organized by the supervisory organs such as supervision of law enforcement, investigation of cases, and reception of public inquiries and requests after studying the "regulations" and were able to contribute to the drive against corruption and the effort to promote clean government. Most of the leads administrative supervisory organs used to investigate cases of irregularities came from reports by the people. From January to September this year, the public turned in leads on more than 120,000 cases of violations, while some 32,869 cases were investigated and tried. This constituted a forceful support of the anticorruption struggle.

Third, supervisory cadres have become more conscientious in performing their duties according to the law and

have thus enabled supervisory work to embark further on the road to legalization and systematization. In line with the provisions of the "regulations," the supervisory organs at all localities either amended or supplemented some systems and rules, or even set down new ones. They upgraded case trial work and reviewed past cases in order to ensure quality in the handling of cases. They stepped up guidance on the building of organs under supervision and on the supervision of enterprises. They further implemented the fundamental guiding ideology in administrative supervisory work, namely, the preservation of political stability and promotion of economic growth. And through a comprehensive performance of their supervisory functions, they were able to help bring about new progress in various endeavors such as the fight against corruption, rectification of unhealthy trends in the different sectors, strong drive for clean government, the improvement of large and medium enterprises, and growth in agricultural production.

Nie Rongzhen Greets Meeting on Elderly

OW1112134991 Beijing XINHUA Domestic Service
in Chinese 0828 GMT 11 Dec 91

[By correspondent Ding Xiguo (0002 6932 0948)]

[Text] Jinan, 11 December (XINHUA)—Our country has made great strides in carrying out programs for senior citizens in rural areas. During the past several years various localities have gained new experiences in solving the problem of providing for senior citizens in the countryside, in protecting their legal rights and interests, and in allowing them to fully play their roles. This has paved the way for coping with the aging of the population.

A five-day national meeting to exchange experiences in carrying out programs for senior citizens in the countryside concluded in Weifang, Shandong yesterday. Nie Rongzhen, honorary president of the China National Committee on Aging, and State Councillor Chen Junsheng sent separate congratulatory letters to the meeting.

It is understood that there are 100 million senior citizens aged 60 or older in our country. About 80 percent of them live in the countryside. The development of the rural economy, the improvement of peasants' living standards, and the implementation of family planning policies have steadily accelerated the aging of the rural population. The people in some localities have aged faster than the nation as a whole.

Since 1987 most of the rural areas in our country have instituted family support agreements. The special promulgation by the Ministry of Justice entitled "Detailed Rules and Regulations on the Notarization of Support Agreements" has provided basic guarantees for the support of senior citizens in rural areas. Various localities have encouraged senior citizens to remain engaged in work that is permitted by their physical conditions as a way of improving their ability to support themselves. Some villages have set up old-age funds by pooling

money, by seeking the support of village and town enterprises, and by soliciting donations from individuals. They have turned land, forests, fish ponds, orchards, and livestock and poultry farms into bases for the support of senior citizens by assigning the jobs of managing those places to the latter.

In recent years 25 provinces, autonomous regions, and municipalities directly under the central government in our country have successively enacted and promulgated local statutes for protecting senior citizens' legal rights and interests. This has greatly reduced the number of cases involving the infringement of senior citizens' rights.

Rural committees on aging have developed swiftly. Over 70 percent of rural areas in Hunan Province, Shandong Province, Shanghai Municipality, Shanxi Province, and Heilongjiang Province have created committees on aging at the administrative-village [designation of administrative unit as received] level. This has played a positive role in advancing the implementation of grass-roots endeavors in the countryside, in improving rural and folk customs, and in strengthening senior citizens' ability to take care of themselves.

Article Notes 'Grim Reality' of Rural Crime

HK1412072991 Beijing CHINA DAILY in English
14 Dec 91 p 4

[By staff reporter Tan Hongkai: "Rural Crime Calls for a Bigger Spotlight"]

[Text] The crime rate in the Chinese countryside is less than half that in the cities, but the sense of security is virtually the same among residents in both places, according to recent surveys by public security authorities.

Since October 1989, experts from the Ministry of Public Security, in co-operation with its bureau in Jilin Province, have conducted a retrospective study of rural crime between 1982 and 1989.

Experts at the ministry's Research Institute of Public Security described the country's rural situation as "generally stable" in a recent interview with CHINA DAILY.

They disclosed that the crime rate in rural areas was 47 percent of that in urban areas in 1989.

A sample survey of 8,000 farmers in 80 townships in eight provinces, from late 1989 to early 1990, produced mean values of their evaluation of personal safety and social order as about .56 on a 0-1 scale, about the same as the corresponding urban figure of .55.

In terms of social statistics, according to the experts, 0 would indicate that a citizen assessed neighbourhood security as being totally absent; 1 a state of absolute safety and stability. The mean would be .50.

So the .56 coefficient represents a slightly-above-average evaluation.

Approximately 67 percent of the farmers and 68.8 percent of urban residents answered "yes" to the question of whether they dare go out alone at night, which is an internationally accepted indicator of a citizen's sense of security.

This is higher than the 61 percent in the United States and 56 percent in Germany, according to the investigation report.

But the lower crime rate is no excuse for people to ignore the grim reality of rural crime.

The average annual growth rate of criminal offences in rural regions between 1982 and 1989 was nine percentage points higher than in cities.

The proportion of property crimes has risen nationwide, but the average annual growth rate of such offences as robbery, rape, murder, and human abduction remains higher in the countryside than in urban areas.

Sociologists recognize that the process of rural urbanization and the transfer of local power might give rise to some increase in crime.

More than 70 percent of rural criminal offences took place in country towns where 40 percent of the rural population live.

Contradictions between insufficient resources and inflated expectations, swelling populations and limited job opportunities, and between the commodity economy and traditional values, were especially conspicuous in such places.

What stood out more in traditional farming areas, experts said, were problems involving clan conflicts, gambling, and trade in women and children. Some of such troubles there fell into the category of "public order problems," which have not evolved into crimes.

Inadequate government management of rural affairs was clearly another reason for the state of affairs.

Since villagers' autonomy was written into the 1982 Constitution, village councils were established at the previous production brigade-level, in order to promote grass-roots democracy.

But it takes time for a new scheme to mature enough to completely fill the vacuum left by the old one. Some of the new establishments are not functioning smoothly.

In a signed article in FARMERS' DAILY [NONGMIN RIBAO] (November 21 issue), Yu Lei, vice-minister of public security, revealed that about one-third of the country's townships do not have a police station. And it is not uncommon for only one or two policemen to look after a township of tens of thousands of people.

To make up for the personnel shortage, many local authorities have employed "village security guards," village patrols," "joint anti-crime teams" and local contract police. But their practical performance still falls short of the high expectations of residents.

Experts also revealed that economic conditions were exerting strong pressure on the situation of community order. The 8,000 people surveyed found that the sense of security grew in step with the increase in income.

Most rural crimes occurred in places where the collective economy is weak and the local authorities incompetent, according to the investigation report.

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HK0612051591 Beijing RENMIN RIBAO in Chinese
3 Dec 91 p 6

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Military

'Arms Industry' Increases 23.5 Percent Jan-Nov

HK1412044591 Hong Kong THE STANDARD
in English 14 Dec 91 p A-6

[Text] Output of the nation's vast arms industry jumped 23.5 percent in the first 11 months of the year, the Liberation Army Daily [JIEFANGUN BAO] reported yesterday. But the official newspaper of the People's Liberation Army did not provide actual figures. But it said that the value of output and income from sales were

both rising. It added that the quality of the arms produced and the economic efficiency of the military plants had been raised. Income earned from civilian goods rose 31.7 percent, the paper said. The newspaper also said the output quota had basically been fulfilled.

PLA To Regularize Training, Administration

*HK1512083391 Beijing ZHONGGUO XINWEN SHE
in English 0632 GMT 14 Dec 91*

[Text] Beijing, December 14 (HKCNA)—Various arms of the Chinese People's Liberation Army [PLA] now maintain the combat readiness required by the Central Military Commission by the regularizing of military training and administration, according to the "Liberation Army Daily".

A meeting on training and administrative work of the whole army is in progress at an airborne forces base affiliated to the Air Force. The meeting, presided over by the Chief of the General Staff, General Chi Haotian, is studying the arrangements for military training and administration.

All advanced units of China's army have this year been engaged in comprehensive field exercises involving the use of live ammunition and full combat gear. The air arm organized training exercises of extreme difficulty and of tactical trans-regional mobility. The naval force devoted itself to exercises involving major operations at sea, while various other forces within the PLA staged concerted fighting manoeuvres and long-range tactical air training. All arms of China's fighting forces held classes for senior commanders on 200 occasion, integrating the new characteristics of modern warfare with training and exercises by the PLA so as to upgrade their ability to command effectively in times of war.

Ministry, PLA Call for Double Support Work

*OW1012014591 Beijing XINHUA Domestic Service
in Chinese 1023 GMT 9 Dec 91*

[XINHUA prefaces the following item with an advisory to newspapers asking that passages which are boldfaced below be published in boldface]

[Text] Beijing, 9 December (XINHUA)—Today the Ministry of Civil Affairs and the General Political Department of the People's Liberation Army [PLA] issued a joint circular calling on all localities and military units to launch, in a down-to-earth manner, a campaign to support the army and give preferential treatment to the families of the armymen and to support the government and cherish the people [double support] during the period between New Year's Day and the next Spring Festival by focusing on the general requirement that the army and people must "breathe the same air, share the same fate, and link their hearts together."

The circular called on military units and civilians in all localities to grasp the following tasks during the double support campaign:

1. Conduct deepgoing education on the glorious tradition of supporting the army and giving preferential treatment to the families of the armymen and of supporting the government and cherishing the people. Soldiers and civilians should launch extensive activity to learn from each other. All areas should take advantage of the excellent situation in which double support work is being launched extensively; conduct various forms of lively education on national defense, patriotism, and supporting the army; vigorously publicize the importance of the people's army in maintaining national security and stability and in promoting social development; publicize the important role of the people's army in building socialist material and spiritual civilizations; publicize the people's army's selfless sacrifice in combating disasters and rescuing victims, particularly in fighting the especially serious flooding disasters this year; and educate cadres and the masses to respect, show concern for, and cherish the army. All military units should arrange a proper time for a concentrated education on the nature and purpose of the people's army and its tradition of supporting the government and cherishing the people; vigorously publicize the concern shown by and the support given by party committees and governments in various to army building; publicize the people's noble spirit of cherishing the nation and supporting the army; and enhance cadres' and soldiers' consciousness of "cherishing the people, learning from the people, and serving the people." Through education, all military units should further publicize the good tradition of the army cherishing the people and the people supporting the army among millions of soldiers and civilians so as to consolidate and develop the good situation of unity between the army and people and between the army and the government.

2. Seriously sum up the experience of launching the activity to create model towns (counties) in double support and check how double support work is being carried out in basic units. The National Double Support Work Leading Group has decided to name more national model towns (counties) in double support next January. All localities should take advantage of the holiday season to earnestly learn from and publicize their advance experiences and mobilize soldiers and civilians to participate vigorously in the activity to create model towns (counties) in double support. Various provinces, autonomous regions, municipalities directly under the central government, and military units in those areas should analyze this activity together, sum up experiences, uncover weak links, and work out a work plan in order to deepen it. Those areas that have been named model towns (counties) in double support should continue to advance by making new achievements; areas which are currently carrying out this activity should pay attention to quality and effectiveness; basic units at and below the county and regimental levels should, in accordance with the requirements on

"good organization, implementation of policies, regular activities, and harmonious relationships," earnestly check how the guidelines of the national conference on double support work are implemented. All localities should check how the policy of giving preferential treatment to and placing the family members of revolutionary martyrs and servicemen is implemented and should take this as an important and regular task for creating model units in double support. Basic military units should conscientiously check how discipline toward the masses is implemented and should educate cadres and soldiers to foster the image of civilized teachers.

3. Extensively launch activity to support the army and cherish the people and to serve the people and do a few things for them. Governments and departments at all levels should actively assist the army in solving practical problems after seeking its opinion; adopt effective measures to make proper arrangements for the production and lives of those who need preferential treatment, particularly those in disaster areas who need preferential treatment, because of difficulties in providing for their own livelihood; give full play to the role of basic units in supporting the army and giving preferential treatment to the families of armymen; and launch an extensive mass campaign to support the army and give preferential treatment to families of armymen. All military units should actively support social and economic construction in accordance with the economic and social development plan of a locality. During this winter and next spring they should concentrate on helping localities build farmland water conservation projects; military units in disaster areas should continue to help the masses restore production and rebuild their homes. All military units should also help localities improve service work during the holiday season.

4. Launch gala parties and organize visits to extend regards. In places where military units are stationed, small-scale army-civilian gala parties of various types may be held, and visits should be organized for extending regards. Relevant provinces, cities, and autonomous regions may organize in the light of actual conditions simple but capable comfort groups to extend regards to border defense units, island units, and garrison units. Comfort groups should also be organized to extend regards to families of revolutionary martyrs and servicemen, disabled or wounded revolutionary soldiers, and retired cadres. In carrying out these activities, it is necessary to make them simple and economical and to pay attention to effectiveness.

Commentator's Article on Strict Management

HK1012094791 Beijing JIEFANGJUN BAO
in Chinese 15 Nov 91 p 1

[Commentator's article: "Management Should Be Strict"]

[Text] So far as troops are concerned, a large amount of day-to-day work is to do a good job in management. Leaders and organs at all levels have done a lot of work in this aspect and scored remarkable achievements. We must, however, see that the phenomena of loose management, slack work style, and lax discipline still exist in some units. The strict administration of the army and intensification of education in management now are still important problems that we must exert efforts to solve.

The army is a well-organized military organization. To enable this organization to operate very well and to turn its latent combat effectiveness into practical combat effectiveness, it is necessary to carry out strict management. Just think. Which can be separated from strict management—the completion of the work, such as war preparedness and training; the establishment of a uniform order of life; the strict enforcement of orders and prohibitions; the cultivation of strict discipline; or the maintenance of close relations inside and outside? A troop whose management is loose and whose fighting will is sapped absolutely cannot win a battle. Combat effectiveness comes from strict management. So far as troops are concerned, management work can only be strengthened but not weakened, and can only be firmly grasped but not slackened at any time. We are now in a complicated environment of reform and opening up; there are many new changes in the situation of the troops, particularly grass-roots personnel; and the degree of the modernization of troops is unrelentingly enhanced. These have made new and higher demands on management work. We certainly must fully understand the extreme importance of strictly administering the army in the new situation and make great efforts to grasp firmly this important work that has a direct bearing on the building of troops and enhancement of combat effectiveness.

The key to strict management lies in the standardization of all activities according to regulations and systems. Orders, regulations, rules, and a series of relevant systems and stipulations formulated by our army in operations, training, and other work are the summation of experiences in long-term practice, reflect the objective laws of all aspects of the work of troops, and are, therefore, regarded as the criteria of servicemen's actions and the laws and regulations that must be observed in the building of troops. Strictly administering the army according to the law means educating, training, and managing troops according to the orders, regulations, and rules. The problem now is that in giving guidance to the work of troops, some leaders often do not act according to already existing regulations, but according to subjective will and parochial experience. Some even are not familiar with and do not understand many regulations and systems. Some problems occur with troops, and when we trace them to their source, we find that they are caused by existing regulations not being followed. We must, therefore, establish the idea of acting according to regulations and strengthen our consciousness of regulations and orders. "Orders, orders, every

order is an order." It is not a matter of whether the orders are carried out or not, but a matter of the necessity of carrying out the orders. It is essential regularly to organize officers and men to study regulations and orders so they know them well and know what to do and what not to do. It is imperative to be strict and fair in meting out rewards and punishments; to follow the regulations, if any; to investigate and affix the responsibility of those who violate regulations; and resolutely to uphold the authority of orders, regulations, and rules. We must begin with the daily life of troops, each and every move of servicemen, and every subject for training, and exercise strict management and conduct training assiduously and perseveringly. Orders and regulations truly must run through war preparedness, training, work, and day-to-day life. Strict discipline, regular order, and civilized bearing must be established in troops, and the relations between the inside and the outside must be closely coordinated to make troops always maintain a high degree of centralism and unification.

In strict management, we must be strict in acting in a scientific way and according to objective law. We must administer the army strictly and not just enthusiastically; we must not merely do it rudely, indiscriminately administering punishment, and pursuing commandism. We must take a scientific attitude, integrate strict demands with scientific management, and ensure that we are strict in basis, reason, method, and limit. With the development of the army's modernization construction and the extensive application of science and technology in the military realm, we are especially required to respect science and to act strictly according to objective law. In this aspect, a very important point is to do a good job in scientific policy making. Our leaders at all levels, particularly senior cadres and high-level organs, must fully expound and prove the feasibility of important policy decisions and important work according to scientific policy-making procedure.

We must take all aspects into consideration very carefully. We must study what we do not know and put great effort into study and mastery of dialectical and historical materialism and study and master modern military science and other aspects of knowledge. Meanwhile, we must respect the views of specialists and officers and men of the troops and make up our mind again on the foundation of pooling mass wisdom. Organs must offer good advice, act as good assistants, and carry out their duties to the best of their ability in participating in and assisting leaders in the formulation of correct policy decisions. In the event of a nonscientific matter, we must be bold in adhering to principles and put forth our opinions.

In strict management, cadres and leaders must take the lead in being strict with themselves. "Those who teach people other than themselves will be defied, those who teach themselves before teaching others are obeyed." That leaders take the lead in setting an example is a "silent order." If an army leader knows the "art of

singing" only but not the "art of acting," he cannot train a combatant troop. When a grass-roots company is required to do what it is instructed to do, leading cadres and organs must take the lead in setting an example; when a fighter is required to do what he is instructed to do, the cadres must take the lead in doing; when troops are inspected and assessed, the cadres must be inspected and assessed first. The practice of being more strict with lower levels than upper levels, being strict with people other than oneself, being strict with the troops other than the organs, is by no means allowed. So long as our cadres are strict with themselves, leaders set an example for their subordinates, organs set an example for troops, cadres set an example for the fighter, and a level sets an example for its lower level, the demands on strict management will surely be satisfied.

Editorial Lauds 'Successful' CPC Eighth Plenum

*HK1612112691 Beijing JIEFANGJUN BAO
in Chinese 30 Nov 91 p 1*

[Editorial: Fight for Realization of Magnificent Goals of Rural Reform and Agricultural Construction—Warmly Congratulating Successful Close of Eighth Plenary Session of CPC 13th Central Committee"]

[Text] The Eighth Plenary Session of the 13th CPC Central Committee has concluded successfully. This plenary session examined and adopted the "CPC Central Committee Decision on Further Strengthening Agriculture and Rural Work" and "Resolution on Convocation of 14th CPC National Congress." The issue of further activating state-owned large and medium enterprises was discussed at a work meeting held by the central authorities not long ago, and this plenary session was then focused on the agriculture issue. All these serve to show that under the turbulent international situation, our party has always paid great attention to economic construction and held a strong will to make a success in all fields of endeavor. A thorough implementation of the spirit of the Eighth Plenary Session of the 13th CPC Central Committee is of vital significance to deepening rural reform, comprehensively developing the rural economy, and attaining the second-step strategic goal of China's socialist modernization drive. Together with the people of the entire country, comrades of the whole Army extend warm congratulations to the plenary session's success!

To implement thoroughly the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, we should first study the spirit thoroughly. The whole Army is required to study conscientiously and master the essence of the plenum's communique, General Secretary Jiang Zemin's important speech, and the Central Committee's decision on further strengthening agriculture and rural work; and to obtain a clear understanding that agriculture serves as a basis to economic growth, social stability, and national independence and prosperity. It is also an important foundation on which the construction of national defense relies. The issue of peasants and rural

areas has always been a fundamental to the Chinese revolution and construction. Without comprehensive improvement in rural areas, it is impossible to attain comprehensive progress in the entire society; without enabling peasants to lead a fairly comfortable life, it is impossible to provide the people of the entire country with a fairly comfortable life; and without modernized agriculture, it is impossible to modernize the national economy. In China, agriculture is the first field in which we reform, achieve great results, and make world-recognized historical contributions. Officers and men in our Army, no matter whether they come from rural or urban areas, have all greatly benefited from the success of rural reform. In addition, we should apply what we have learned to reality, be fully aware of the tremendous achievements China has scored in rural reform and construction during the 1980's, obtain an understanding that rural reform is a great creation of the Chinese Communists headed by Comrade Deng Xiaoping, and thus make firm our faith in building socialism with Chinese characteristics.

It is an unshirkable duty, and also a glorious tradition, for our Army to support agriculture. Ours is the people's own Army under the party's leadership. The work to promote rural economy and strengthen rural work has always been closely bound up with the building of our Army, and with the immediate interests of every comrade. In the past, our Army devoted great painstaking efforts to strengthening agriculture and rural work. During the process of implementing the plenary session's spirit, we should further carry forward this glorious tradition; under the prerequisite of guaranteed fulfillment of military and political training tasks, put in efforts and make suggestions in harnessing rivers and lakes and in stepping up farmland water conservancy construction; support rural areas to attain growth through the application of science and technology; and through building model dual-support cities (counties), contribute to strengthening the building of socialist spiritual civilization and the democratic legal system, and making a success in carrying out socialist ideological education in rural areas. When training personnel who are able to handle military as well as local governmental affairs, the Army should also take into consideration the need to further rejuvenate agriculture, enhance the theoretical level, and stress practical results.

The plenary session has decided that the party's 14th congress will be held in the fourth quarter of next year. This is a major event in China's political life, which will surely exert a far-reaching influence on our efforts to inherit the past and usher in the future, and to promote the great cause of building socialism with Chinese characteristics. Army comrades should further enhance their awareness in implementing the party's basic line of "one center, two basic points"; give full rein to their political superiority; constantly reinforce the Army's comprehensive building, especially the ideological, organizational, and work style building of party organizations at all levels in the Army; and make due contributions to

promoting reform and opening up, attaining the second-step strategic goal, and maintaining a lengthy and peaceful reign in the country. Let us rally closely around the party Central Committee and Central Military Committee with Comrade Jiang Zemin as the core, advance with one heart and one mind, work hard for the country's prosperity, and greet the convocation of the party's 14th congress with brilliant exploits in the Army's reform and construction!

Xinjiang Leaders Send Off New Recruits

*OW1312062191 Urumqi Xinjiang Television
Network in Mandarin 1655 GMT 12 Dec 91*

[Video report by reporter Chen Junzhi; from the "Xinjiang News" program]

[Text] With the trust from their loved ones, the first batch of some 1,500 new recruits from Xinjiang to be enlisted in the People's Liberation Army [PLA] units in various provinces and regions in the hinterland gathered at the south entrance of the Urumqi Railway Station yesterday evening to board special trains bound for their destinations.

[Video opens with a long shot of young recruits in PLA uniform converging outside the railway station, cutting to show Jin Yunhui and Tang Guangcai addressing new recruits inside the station]

At a send-off ceremony held at the station, Jin Yunhui, deputy secretary of the regional party committee, and Tang Guangcai, political commissar of the Xinjiang Military District, extended greetings to new recruits from the regional party committee, the regional people's government, and the Xinjiang Military District. They said: The PLA is the great wall of steel defending the socialist motherland, the strong pillar for the dictatorship of the proletariat, the loyal defender of the peace and happiness of the people of all nationalities, and the best school where youth with aspirations receive training and study. They urged new recruits to translate their enthusiasm to be enlisted in the PLA and to serve the country into concrete actions of studying diligently political and military affairs, as well as science and general knowledge, and practicing difficult combat skills, to become competent soldiers with ideals, morality, general knowledge, and discipline.

After the speeches, Jin Yunhui and Tang Guangcai reviewed the rank of new recruits. Relatives and friends and many recruits also sent off them at the station.

Books on Military Strategy Published

*OW1412101791 Beijing XINHUA in English
0909 GMT 14 Dec 91*

[Text] Beijing, December 14 (XINHUA)—China's Association of Military Science has published a series of books on the use of military strategy.

The series, which has been distributed both in China and abroad consists of three parts: strategy resources, strategy theories, and, prominent strategists. The series contains some two million Chinese characters.

The series explores the origin of strategy and compares various strategies based on the practice of astuteness and resourcefulness used in modern and ancient times both in China and in foreign countries.

The individual books outline the mechanisms, structures, methods, principles, and psychological and thought processes involved in strategy. In addition, the books explore the common rules of strategy related to political, economic and military affairs.

Chi Haotian, chief of the General Staff the People's Liberation Army, pointed out in the series preface that the publishing of the series on strategy will help to create a specialized discipline related to strategy.

Economic & Agricultural

Song Ping Inspects Guangxi 5-11 December

HK1612060791 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 12 Dec 91

[Excerpts] During his inspection in our region, Song Ping, member of the CPC Central Committee Political Bureau Standing Committee, stressed: The basis and source of strength of the Communist Party lie among the masses. Therefore, party cadres at all levels must go deep into the grass-roots level to help resolve pressing problems in a down-to-earth manner, conscientiously implement the spirit of the Eighth Plenary Session in light of local realities, step up rural grass-roots organization building, strengthen the party's unifying force and combat effectiveness, make redoubled efforts to push ahead with agricultural and rural work, implement various measures aimed at promoting agricultural development by virtue of science and technology, and push ahead with rural economic development and comprehensive progress.

Accompanied respectively by regional party and government leaders, including Zhao Fulin, Cheng Kejie, Liu Mingzu, and Ding Tingmo, Comrade Song Ping visited Nanning City, Fangchenggang District, Qinzhou Prefecture, and Beihai City 5-11 December, where he inspected factories, workshops, markets, shops, ports, wharves, mountainous areas, rural villages, fishing villages, colleges, and research institutes to listen to views, conduct investigations and study, hold cordial talks with cadres at the grass-roots level, and ask about their opinions. Song Ping also personally investigated the actual situation and asked in great detail about local people's production, livelihood, difficulties, and wishes.

After listening to the regional party committee report, Song Ping fully affirmed Guangxi's achievements. He

said: Under the leadership of the regional party committee, Guangxi has resolutely implemented all principles and policies formulated by the central authorities, achieved remarkable results in all aspects of work, maintained a fine political situation of stability and solidarity, and further pushed ahead with economic development. The people of all nationalities in Guangxi have for many years made great contributions to the consolidation of the border defense of the motherland. Song Ping urged Guangxi to bring into full play its distinctive local superiority marked by harmony and solidarity among various nationalities and rich resources, implement the party's basic line, principles, and policies in light of the local realities, push ahead with all types work on the present basis, work hard, and strive to fulfill both the Eighth Five-Year Plan and the 10-Year Program.

This year, our region has transferred and sent more than 60,000 cadres to more than 12,000 villages and stockaded villages to carry out socialist ideological education work. The first batch of villages, numbering 5,400, have already passed regional appraisal while the second batch of villages, numbering 6,800, are currently undertaking socialist ideological education work. Song Ping noted: We must firmly and successfully step up socialist ideological work in the rural areas in accordance with the requirements laid down by the Eighth Plenary Session and implement the party's policies to the letter in the rural areas. All the cadres to participate in the socialist ideological education work in the rural areas must conscientiously study the party's basic line and various rural policies, go deep into rural villages to carry out investigation and study, carry out ideological education in light of local realities whenever problems crop up, hold discussions with local cadres and masses, and pool the wisdom and efforts of everyone in solving problems. The socialist ideological education in the rural area is an effective way for forging closer ties between the party and the broad masses of the people. We must build new socialist rural areas through our work in this regard. We must also transform the work style of various organs as well as train and temper our cadres.

Song Ping showed great concern for our regional agricultural development. He noted: Agriculture is the basis of economic construction. Guangxi has excellent agricultural development conditions. However, drought has always been a major factor retarding Guangxi's agricultural development. Every year, Guangxi inevitably suffers a severe drought for a certain period, which in turn results in a host of problems. Thus Guangxi must make redoubled efforts to solve this problem by building more water conservation works. The state should support Guangxi in building major water conservation projects. However, small and medium-sized water conservation projects should be built by various collectives and localities themselves. To this end, peasants must be organized to build various projects by relying on themselves. [passage omitted]

Song Ping repeatedly called for bringing into full play the role of science and technology in promoting productive

forces development, further mobilize the enthusiasm of scientific and technological personnel, adopt forceful measures, further popularize scientific and technological achievements, turn science and technology into realistic productive forces, and make redoubled efforts to promote agricultural development by dint of advanced science and technology.

During his inspection in the rural areas, Comrade Song Ping visited a large number of villages and peasant households where he investigated situations, held candid talks with peasants, and listened to their views about the party and the government as well as their suggestions, wishes, and demands. He emphatically stated: All party policies must be implemented to the letter in the rural areas. All cadres concerned must go to the rural areas and go into villages, stockaded villages, and peasant households to identify themselves with the broad masses of the peasants and really do something for the peasants. Only by doing things in this way will we be able to forge closer ties between the party and the masses and between the cadres and the masses, further enhance the party's prestige, and continually strengthen the party's unifying force. Only by doing things in this way will our party be able to maintain strong combat effectiveness and forever remain in an invincible position.

Comrade Song Ping also showed great concern for building the party branches and villagers' committees in the rural areas. Whenever he held talks with village cadres, Song Ping asked in great detail about their work in this regard and time and again stressed the need to successfully build grass-roots organizations in the rural areas and build rural party branches into staunch leadership cores capable of leading the masses to embark on the socialist road leading toward common prosperity. Song Ping noted: In the rural areas, it is necessary to adhere to the party branches as the nucleus. All party members must play a vanguard and exemplary role. The villagers' committees must also actively carry out work. Given a multitude of rural tasks, the collectives concerned must offer their efficient services. Song Ping called for training and recruiting new party members to successfully build party branches in the rural areas. Without recruiting new party members, party organizations would be lacking in vitality and become incapable of effectively leading the broad masses of the people to fulfill the party's various tasks.

After inspecting Fangchenggang District and Beihai City, Comrade Song Ping took strong interest in the construction plans drawn up by Fangchenggang District and Beihai City as well as the favorable geographical location and rich natural resources of those two places. Song Ping expressed the hope that Fangchenggang District and Beihai City will grasp the present opportune moment to liberate minds, seek truth from facts, deepen reform, expand opening up, accelerate construction pace, fully play their roles as a window and a passage, and contribute to the economic development of Guangxi as well as the entire Southwest.

Wei Jianlin, deputy director of the Central Policy Research Office, and some other comrades accompanied Comrade Song Ping during his inspection in our region.

Li Guixian on Punishment for Financial Corruption

OW1412055591 Beijing XINHUA in English
0508 GMT 14 Dec 91

[Text] Guangzhou, December 14 (XINHUA)—It is an urgent task for China's financial workers to stress regularity in transactions and firmly punish corruption in order to build a financial system suitable to the needs of the growing market economy.

This remark was made by Li Guixian, state councillor and president of the People's Bank of China, the central bank, at a meeting to commend outstanding collectives and personnel in discipline and supervision departments of Chinese financial circles held in this capital of Guangdong Province.

Since 1985, discipline and supervision departments have been set up in all financial circles with more than 20,000 workers.

Since 1986 they have handled and checked over 20,000 economic cases and punished 24,000 culprits in accordance with criminal law or party discipline or by administrative means.

Li said that the number of cases of graft, corruption and embezzlement of bank funds has increased.

So it is very important for the discipline and supervision departments to do a good job and persist in the struggle against corruption, Li said.

A total of 158 collectives and 280 persons were commended for their outstanding work at the meeting.

Guangzhou Anticorruption Exhibition Closes

HK1212071291 Beijing XINHUA Hong Kong Service
in Chinese 0903 GMT 8 Dec 91

[Text] Guangzhou, 8 Dec (XINHUA)—An anticorruption exhibition sponsored by the Chinese procuratorial organ and the Guangdong provincial procuratorial organ closed in Guangzhou today. The exhibition has aroused great repercussions among exhibition visitors.

More than 300,000 people visited this anticorruption exhibition sponsored by the national procuratorial organ and the Guangdong provincial procuratorial organ, which lasted 25 days. The exhibition, originally scheduled to last 20 days, was extended five days at the request of the public. As a result, the exhibition entertained an additional 100,000 audience or so.

Many people who visited the exhibition have gained a picture of the progress made in the struggle against corruption in this country, and have learned a lesson from it. Some visitors reported some corruption cases to staff members of procuratorial organs before they left.

Statistics show that more than 10 cases concerning economic affairs were reported by exhibition visitors during their visit, while a greater number of cases were reported later by letter by exhibition visitors. Some cadres from a certain unit in Guangzhou who visited the exhibition voluntarily confessed their economic malpractices to the procuratorial organ.

It is said that the same exhibition will be held later in other parts of Guangdong, including Shantou, Shenzhen, Huiyang, and Zhanjiang.

Foreign Missions, Offices Hiring Probe Launched

HK1512061091 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 15 Dec 91 p 3

[By staff reporter: "State Probes Illegal Foreign Office Hires"]

[Text] The Chinese Government has issued a clamp down on the thousands of Chinese who are illegally employed with the China-based foreign diplomatic missions and foreign representative offices.

The State Council issued a document reaffirming that only government agencies can supply services to foreign diplomats and businessmen.

Rules listed in the document bar other Chinese units or individuals from offering services to foreign representative offices and diplomatic missions.

In accordance with the document, the Beijing municipal government issued a notice on November 28 to notify the foreign diplomats and businessmen about the government's decision.

Officials said the move aimed to improve and strengthen the management of Chinese staff working for these foreign agencies, safeguard the normal social and economic order, and improve the investment climate.

But the clamp down seems to centre more on the Chinese illegally employed by foreign representative offices, and Business Weekly learned that other big cities, such as Shanghai and Guangzhou, would also follow suit.

Since foreign business people came to China in early 1980s, the State set up Foreign Enterprises Service Corporations (FESCOs) to supply personnel and other services.

The foreign business people paid these personnel by giving hard currency to FESCO, which in turn withheld more than 85 percent of the payment and gave employees 15 percent in Renminbi.

The FESCO officials said the 85 percent would be used to buy social benefits and subsidize housing for the Chinese employees.

But the FESCO officials were annoyed to discover that several unauthorized Chinese organizations were also sending personnel to the foreign representative offices.

In addition, foreign businessmen hired local staff independently without going through State channels.

Official statistics claim FESCOs have sent nearly 10,000 Chinese to currently work for 4,600 foreign offices and institutions across the country.

Preliminary estimates showed that over 2,000 Chinese work illegally for foreign representative offices in Beijing, Shanghai, Guangdong, and Fujian.

"Many of those people did not follow the legal practices to engage in economic and trade activities, which has harmed the interests of foreign businessmen and our country," a Beijing FESCO official said.

According to the notice, the Chinese individuals or units that want to seek employment with foreign representative offices must go through the Beijing Foreign Enterprise Service Corporation.

Those Chinese employed through other institutions must report to FESCO before the end of this month. Violators will be dealt with in accordance with proper rules and regulations, the notice said.

The notice specifies that the Beijing Diplomatic Personnel Service Bureau is in charge of supplying services to foreign diplomatic missions, the foreign news agencies, and resident missions of the United Nations Organisation and the European Economic Community.

Party Style, Economic Construction Viewed

HK1412044991 Beijing RENMIN RIBAO in Chinese 6 Dec 91 p 5

[By Fu Jie (0265 2638): "Thoughts on Relations Between Developing Party Style and Discipline and Developing Economic Construction During the New Period"]

[Text] In the new historical era, how to correctly understand and handle relations between party style and discipline building and economic construction is a new topic for us. Only by relying on basic Marxist principles and observing the objective laws in political and economic contradictions can we correctly understand their respective status and functions and handle relations between the two correctly.

I. Approach the New Situation and Problems in Party Style and Discipline Building in Terms of the Economy's Determinative Role in Politics

Since the Third Plenary Session of the 11th CPC Central Committee, our party has shifted the work focus to economic construction as the central task, pursued reform and opening up, vigorously developed the socialist planned commodity economy, and achieved overall and profound changes in our country's political, economic and cultural life. In recent years, some negative and corrupt phenomena and various forms of unhealthy practices within the party and society have

again emerged, with the appearance of some ugly phenomena which were stamped out after the Liberation. How do we correctly understand such a situation?

Historical materialism tells us that the economy determines the superstructure of any society, including politics. As a practical political activity, party style and discipline building is bound to come under the constraints and influence of economic construction.

—Looked at in terms of developing a planned commodity economy, the socialist economy is a commodity economy built on the basis of public ownership. On the one hand, it differs intrinsically from the capitalist commodity economy, which is based on private ownership and operating through spontaneous market regulation. On the other hand, it is necessarily subject to the economic laws common to commodity economies in all kinds of societies. These two points determine that the socialist economy carries dual influence on social, political, and economic life and party style and discipline.

The development of a planned commodity economy, apart from directly promoting the growth of social productive forces, is also an effective motive force for overcoming egalitarianism and old-fashioned and convention-bound concepts and fostering new, path-breaking, active, democratic, and egalitarian concepts. It injects new content into party style and discipline building.

Under a planned commodity economy, money plays an important role as a common denominator in social life, and vastly increases the production incentive of producers and sales operators. But it also induces the bad tendency of evaluating everything in terms of money, and hence inevitably affects to some extent the political life within the party. In recent years, economic malpractices involving increasingly large amounts of money have accounted for an increasing proportion in inner-party discipline violations, indicating the negative effects of developing the planned commodity economy and the serious nature of problems confronting party style and discipline building.

—In terms of opening up to the outside world and international economic exchanges: In recent years, we have developed foreign economic relations in a variety of forms and successfully absorbed the advanced scientific and technological fruits and management experiences of developed countries, and expedited the pace of our country's socialist modernization. But this has drawn us in increasingly closer and wider relations with the capitalist world. The corrupted capitalist ideology and concepts of value and lifestyle have inevitably eroded our party force. And this is precisely the reason why we have seen in recent years, in cases investigated and handled by the party, a growing trend in violations of discipline in foreign dealings, worshipping the capitalist lifestyle, disgracing the national and personal characters, corruption, and degeneration.

Meanwhile, international hostile forces have also seized the opportunity of our opening up to the outside world to conduct their "peaceful evolution" strategy and overall infiltrations in our economic, ideological, cultural, and political areas, while people engaged in bourgeois liberalization within the country, echoing their efforts, have been calling for "wholesale Westernization" and pursued antiparty and antisocialist activities. Opening up to the outside world—especially widening foreign economic exchanges—has confronted party style and discipline building with a more complicated situation and more arduous mission.

—In terms of the coexistence of various economic elements: After a decade of reform, our country has established an economic structure that features a socialist public-ownership economy as the main body, with the coexistence of a variety of economic elements. Practice proves that both individual and privately run economies are necessary complements to a public-ownership economy. But since they are by nature of the private-ownership economy, they necessarily bring new contradictions and problems to social, political, and economic life; party style; and discipline building. For instance, some illegal private enterprise owners have used various illegal means to compete with the public-ownership economy. The "targets" of their attacks are often state-run enterprises and party and government officials who wield certain powers on personnel, finance, and material supply. This is how some party members and cadres were corrupted and bribed and proceeded to abuse laws and went along with these owners in their evil deeds.

In sum, when studying the new situations and problems confronting the building of party style and discipline, we must pay attention to the close ties between politics and the economy, and analyze and spell them out.

II. Recognize the Importance of Party Style and Discipline Building in the Counteraction of Politics on the Economy

The relationship between politics and the economy is dialectic. While the economy determines politics, politics also has an enormous counteraction on the economy. There are two counteractions of politics on the economy: One is an active and advancing force, namely, the "centripetal function." The other is a negative and impeding force, namely, the "centrifugal function." The ultimate aims of party style and discipline building are to develop the "centripetal function" of politics on economic development and neutralize and avoid the "centrifugal function."

Ours is a ruling party leading people of the whole country in breaking new ground, and forging ahead along the path of socialism with Chinese characteristics. History has proved that without the Communist Party there would not have been a New China. Similarly, without the Communist Party's firm and strong leadership, there

would be no question of socialist modernization and economic construction. Comrade Jiang Zemin pointed out: "The key for building socialism with Chinese characteristics lies in strengthening and improving the Communist Party leadership. In a big country such as China, it is simply out of the question to unify the minds and power of 1.1 billion people to build socialism without the leadership of a party of heightened awareness, strict discipline, and a spirit of self-sacrifice, which genuinely represents the broad mass of the people" (Jiang Zemin: "Address at the Rally Commemorating the 70th Anniversary of the Founding of the CPC"). Party style and discipline building are important integral parts of party construction, help strengthen and improve party leadership, and can play the powerful role of politics' "centripetal function" on economic development. This, specifically, is shown in the following three aspects:

One, the guiding and guaranteeing function. Our economic construction is one of socialist economic construction. It determines that in pursuing economic modernization, we will promote rapid economic development as well as uphold a correct political direction; we want an economic takeoff in a planned, well-proportioned, and highly efficient fashion, as well as concurrent progress in spiritual civilization. Strengthening party style and discipline building and heightening political and ideological awareness among the broad masses of party-member cadres will enable them to uphold and defend the four cardinal principles with a clear-cut stand; wage struggle against wrong tendencies such as bourgeois liberalization; and prevent economic construction from deviating from the socialist direction, apart from encouraging economic work departments and production and operation personnel to straighten out work and guide thinking, adhere to clean and upright operations so that economic development is built on a solid and reliable foundation.

Two, the preventive and safeguarding function. Negative and corrupt phenomena within the party and in society, such as serious bureaucratism; unhealthy business practices consisting mainly of consuming, pinching, stalling, and making demands; and law-breaking and discipline violations, such as graft and bribery, corruption and waste, and speculation and fraud and so on, not only harm the party's and government's images, but also create bad political influences, seriously disrupt order in social and economic life and prevent smooth progress in economic construction. The solution of these problems call for deepening reform and perfecting the legal system, especially strengthening party style and discipline building and ruling the party firmly with strict discipline. Facts show that reform and economic construction will not be done well without good party style. In recent years, party organizations and discipline inspection organs at various levels have remedied the unhealthy tendency through investigating and dealing with cases of discipline violation and have played a large role in removing obstacles against economic construction and creating a good social and political environment.

Three, the dynamic and advancing function. Our party has over 50 million members, and is a leader as well as a participant in economic construction. If we do a good job in party building, in the aspects of party style, party discipline, ideology, and organization, and turn the party into a firm leading center for socialist construction, we will have provided economic development with the greatest "motive force"; that is to say, we will have promoted economic development in the most effective fashion. The functions of party style and discipline building lie not only in curbing negative elements and punishing corruption, but also giving play to positive elements and fostering a good climate, so that party-member cadres are made to stay clean and be self-disciplined and, more importantly, practice the good style of linking theory to practice, maintaining close ties with the masses, seeking truth from facts, and self-reliance; arduously struggle and break new ground and forge ahead; play their expected advanced role in reform and economic construction; and, through their own exemplary acts, mobilize the motivation of the broad mass of the people.

Of course, as a practice in the superstructure, party style and discipline building will only have their counteraction on the economy in an indirect and subtle manner, and, therefore, it is hard to measure it with economic indexes such as output value or profit and the like. But its functions are there, dynamic, tremendous, and irreplaceable. Socialist economic construction is stable and sustained and develops smoothly only when the direction is correct, the foundation solid, and the motive force sufficient. We can say that strengthening party style and discipline building represents an inner demand and important guarantee for socialist modernization and economic construction.

III. Grasp the Relationship Between Party Style and Discipline Building and Economic Construction Under the New Era in Terms of the Law of Political and Economic Contradictions and Movements

According to the above analysis and understanding, at present, we should pay attention to solving the following problems in connection with the guidance thoughts for party style and discipline building:

First, while we must fully understand the urgency and difficult nature of party style and discipline building, vigorously pursue and handle well current tasks, we must also perceive the complicated and long-term nature of party style and discipline building and be able to stick to it unremittingly. Both history and reality show that the main stream in our party is good. But we must not thereby fail to perceive the serious nature of the existing problems. We must approach the urgent and arduous nature of party style and discipline building from the high plane that "a ruling party's party style problem is a matter of life and death for the party." We must rule the party with strict discipline, so that our party can stand the trials of being in a ruling position, of reform and opening up and of "peaceful evolution," and become a

strong leadership core that is tough in style, strict in discipline, and highly combative. At the same time, we must fully understand the complicated and long-term nature of party style and discipline building, and must be mentally prepared for a long struggle, always maintain high vigilance against corruption and evolution, and really put into effect the principle of "first being resolute and second being persistent."

Second, while we must value the constraint of economic development on party style and discipline building and therefore seek solutions in economic realms, we must also see the influence of various elements in the superstructure on party style and discipline building, and so we must rely on a variety of ways to do a good job in party style and discipline building. On the one hand, we must rely on deepening economic structural reform, perfecting operation management systems, and developing social productive forces in order to solve certain problems. On the other hand, we must rely on deepening political structural reform, promote the construction of democratic politics, build a system to resist corruption and evolution, adopt practical and effective measures to strengthen innerparty supervision, rely on force from many quarters to pursue integrated treatment, and handle well party style and discipline building.

Third, while we must affirm the promoting function of party style and discipline building on economic construction, conscientiously strengthen party style and discipline building, we must also be aware that some links in specific tasks are not well adapted to economic construction, pay attention to improving work methods, and probe for new ways to serve economic construction. We must firmly grasp party style and discipline building, conscientiously change the previous practice of "giving selective emphases," and really put the principle of "grasping with both hands" into effect. At the same time, we must pay attention to improving specific tasks for party style and discipline building. Discipline inspection organs and comrades charged with the work of party affairs must take one step further in establishing an awareness of the overall situation, strengthen their understanding of the regularity of party style and discipline building, and improve their work methods and styles to make party style and discipline building and discipline inspection work serve better reform and economic construction.

Symposium on Transnational Operation Strategy

HK1312062391 Beijing RENMIN RIBAO in Chinese
6 Dec 91 p 5

[By Ge Liang (5514 0081) and Lu Jinyong (4151 6651 0516): "Develop Transnational Companies With Chinese Characteristics—Roundup of Symposium on Transnational Operation Policy for Chinese Enterprises"]

[Text] The State Council Research Office, the University of International Business and Economics, the Ministry of Foreign Economic Relations and Trade Department

of Foreign Economic Cooperation, and the magazine GUANLI SHIJI [MANAGEMENT WORLD] run by the State Council Development Research Center jointly held the "Symposium on Transnational Operation Policy for Chinese Enterprises" in Beijing in November 1991. Leaders of the relevant State Council ministries and commissions, large foreign trade enterprises, industrial enterprise groups, and enterprise companies and specialists and scholars in the academic and theoretical circles attending the meeting discussed the following issues:

1. Necessity and Urgency of Developing Transnational Operations

The symposium participants generally agreed that the development of transnational operations by Chinese enterprises is a matter of strategic significance. The development of transnational operations is not only in keeping with the current trend in international economic development and with the needs of developing the socialist planned commodity economy, but is also conducive to the development of reform, opening up, and an outwardly oriented economy; to the optimization of the domestic industrial structure and the export industrial structure; to the efforts of the large and medium enterprises to enter the international market; and to the expansion of our country's exports. The concrete role of transnational operations mainly finds expression in the following aspects: 1) using foreign resources to make up for our country's resources shortage; 2) full use of foreign funds, and being a new form of utilizing foreign capital; 3) introducing advanced foreign technology, equipment, and management experience; 4) promoting the exportation of equipment made by China and creating comprehensive social benefit; 5) digesting and transferring surplus manufacturing capacity and traditional technology at home; 6) acquiring the latest international economic and trade information, grasping the best chances for foreign economic and trade activities, and playing a role as windows for foreign economic and trade activities; 7) getting around some countries' tariff and nontariff trade barriers; and 8) strengthening South-South cooperation.

2. Possibilities of Developing Transnational Operation

The symposium participants held: Our country has relative advantages in developing transnational operations, which is feasible for China's enterprises. Our country has a number of large enterprises and enterprise groups that have considerable strength and advantages, some advanced technology and a large quantity and applied and special technology, advantages in its labor and natural resources; our country's foreign exchange funds are steadily increasing and become relatively sufficient along with the development of foreign economic activities, although our country is still facing a shortage of foreign exchange on the whole; and through reform and opening up over the past 10 years and more, our country has basically become familiar with the financial practice in the international market, some of our country's enterprises have good knowledge about the international

market situation and international practice, and some competent personnel with the ability to manage transnational operations have emerged.

3. Model and Strategy for Developing Transnational Operations and Overseas Investment

There are basically two models for developing transnational companies in the world. The first category is composed of transnational companies developed under the leadership of manufacturing companies in the United States, Britain, France, and other Western nations, so this is called the "Western model"; the second category is composed of transnational companies under the leadership of trading firms in Japan, South Korea, and other Oriental countries, so it is called the "Eastern model." Some symposium participants said that China should select the "Eastern model" as a reference, but others did not agree and held that China cannot develop its transnational companies by merely emulating the "Eastern" or "Western model"; instead, China should create a new model of transnational companies in line with its national conditions. What strategy should the Chinese enterprises adopt to develop transnational operations? Most comrades held that large-scale state-owned enterprises and enterprise groups should be allowed to take the lead in developing transnational operations; overseas investment should be made in both developed and developing countries, and in both trading and nontrading sections. It is necessary to speed up the development of overseas projects in the field of developing resources, assembling parts, repairing high-tech mechanical and electronics products, and dealing in real estate. As for the ownership strategy (or entrance strategy), we should develop both joint-stock companies and nonstock-based companies when making overseas investment, and in developing joint-stock companies, we should develop more joint ventures. With regard to the aspect of fund-raising strategy, we should encourage more enterprises to develop overseas investment through use of international financial facilities.

4. Some Issues To Be Noted in the Course of Developing Transnational Operations

Symposium participants held that Chinese enterprises should pay attention to the following issues in the course of developing transnational operations: 1) They should assume a scientific attitude by acting positively and prudently in light of their own capacity, and must not rush headlong into mass action. 2) They should have a clear purpose when developing transnational operations. 3) They should properly solve the issues concerning the employment conditions and management of the personnel in overseas enterprises. 4) They should strengthen management over the overseas enterprises' fixed assets. 5) The development of overseas enterprises should be coordinated with unified strategy and planning. 6) Overseas enterprises should adopt effective measures against risks.

5. Policy Proposals for Developing Overseas Operations

Symposium participants also forwarded many policy proposals for overcoming various difficulties in the process of developing transnational operations and for improving their overseas operations. They are mainly as follows: 1) Further deepen the people's understanding of the importance of transnational operations. 2) Carefully make feasibility studies and properly select cooperation partners. 3) Stress quickening the training of personnel for managing transnational operations. 4) Simplify procedures for screening and approving the exit applications of business personnel. 5) Strengthen management over overseas enterprises. 6) Establish a national organization in charge of managing overseas investment. 7) Quicken the pace of legislation related to overseas investment. 8) Encourage and support the establishment of enterprise groups. 9) Give more financial, monetary, and tariff incentives to enterprises engaged in transnational operations. 10) Attach importance to the role of economic information.

Economist Praises Enterprise Contract System

HK1212130891 Beijing JINGJI CANKAO BAO
in Chinese 1 Dec 91 p 4

["New Viewpoints of Noted Personages" column by Yang Peixin (2799 1014 2450): "Economist Yang Peixin On Contract System: interim Measure or Optimum Choice—Summarized From 7 November 1991 Edition of SHEHUI KEXUE BAO [Social Sciences News]"]

[Text] To invigorate medium and large state-owned enterprises, first of all, it is necessary to uphold, improve, and develop the contract system and declare that the contract policy pursued among enterprises will not change for 30 years. The reason that China could reap an agricultural bumper harvest in 1984 and gathered in another bumper harvest in 1990 after agricultural production fluctuated for several years was that we had announced to the peasants that the fixing of farm output quotas based on individual household would not change for 50 years. The peasants were thus reassured.

However, the fate of the enterprise contract system is full of frustrations. The system was started on a trial basis in 1981 and the moment it was implemented on a large scale in 1983, it encountered obstructions from all sides, and the State Council announced suspension of the contract system in favor of the implementation of a system under which profit delivery is replaced with tax payments. In May 1987, the State Council decided to implement the contract system nationwide and defined the implementation of the system as the center and priority of the economic structural reform, but in 1988, it was disrupted by the shareholding system and the separation of flow between tax and profit. According to analysis then, "the contract system is an interim measure."

In our opinion, the enterprise contract system is an improvement of the socialist system of ownership by the

whole people and the optimum pattern of enterprise at the socialist stage. The contract system is part of the system of ownership by the whole people—as representatives of the entire people, enterprise employees contract enterprises, and in fact possess, use, and manage enterprise assets; they have the decisionmaking power in operation; and they are themselves active and willing laborers. This three-in-one combination of owner, operator, and laborer is where the superiority of the socialist system of ownership by the whole people lies. The contract system, which correctly handles the relationship among the state, collectives, and individuals, will surely run through the entire stage of socialism. It is the optimum choice of socialist enterprise structure rather than an interim, expedient measure.

Industry To Gain Greater Control Over Management

HK1312024791 Beijing CHINA DAILY in English
13 Dec 91 p 1

[By staff reporter Li Hong: "Firms Will Get Greater Freedom To Manage"]

[Text] The government is prepared to give industry more control over hiring, firing, pay and internal business policy-making, a national conference on labour affairs reform was told yesterday.

It was also announced that a new pension and unemployment insurance system will be introduced to reduce burdens on enterprises, as a part of the programme to sort out deficit-ridden State firms.

However, the changes may not come about as quickly as hoped because of the widespread concern over China's jobless rate. Factories with poor profits could be expected to stop hiring people.

But Ruan Chongwu, Labour Minister, encouraged enterprise managers to "crack the hardest nut" at the conference, which was co-sponsored by the State Council Production Office, Commission of Restructuring the Economy, labour and personnel ministries, and the All-China Federation of Trade Unions.

"The success of the moves to decentralize industrial decision-making depends quite a lot on whether or not we can resettle redundant urban people," Ruan said.

Government officials have admitted that about one third of State firms were running at a loss, and the overall unemployment rate has hit 3 percent—meaning about 4.5 million urban workers, out of a total workforce of 145 million, are without the job.

The conference was convened to introduce a system in which "cadres can go up and down, workers can come and go, and wages can be raised and reduced," Ruan said.

First of all, the life-long jobs, or "iron rice bowl," will be scrapped and make way for a job contract system.

Factory managers will have the total say in deciding how work units are to be organized.

At present, only 14 million workers have signed contracts with their employers, accounting for 14 percent of the total working in State firms, Ruan said.

The government also demanded that managers and technicians should be on contracts. Outstanding people, including workers, could be employed as cadres, and those found to be unqualified can be demoted or dismissed, said Personnel Vice-Minister Cheng Lianchang.

Secondly, the "equal pay for everyone" system, the so-called "eating from the same pot," will be overhauled, Ruan said.

Workers in State firms will no longer get uniform pay rises. A new pay system, which takes into account a worker's technical ability, performance, working conditions, workload and responsibility, will be implemented.

It is learned that 95,000 of about 400,000 State firms are already paying their workers under the new system.

To bolster the reform, the government will augment pensions and unemployment benefits, the conference was told.

Official: Reforms Ease Consumer Goods Shortage

OW1312214091 Beijing XINHUA in English
1522 GMT 13 Dec 91

[Text] Beijing, December 13 (XINHUA)—China has established a new socialist commercial system which includes the state-run, collective, foreign-funded and private commercial enterprises, with the state-run enterprises playing the major role, said Zhang Shiyao vice minister of commerce, today.

He told the Chinese and foreign reporters at a press conference that China's commerce industry has since taken on a new look as reforms have been carried out in commercial structure price system and management forms in the last 12 years. According to the vice minister, China used to practice a commercial system which was characterized by over centralizing, single market channel and market break-up.

The situation started to change in 1982 when China restored the collective nature of supply and marketing cooperatives and encouraged individuals to join in circulation.

Meanwhile, China also changed the monopoly purchase and sales of industrial and farm product systems. Industrial enterprises are allowed to sell their own products and farmers can sell their surplus farm products on the market as long as they can fulfill their contracts with the government.

So far, the commodities under the state control handled by commercial departments have been cut down from 200 items to 24 items, among which the items controlled

by compulsory prices have been reduced to 11 items, including grain, cotton, fertilizer and insecticide.

In addition, the old wholesale system which featured allocation was replaced by trading centers, wholesale markets and large-scale commercial enterprise groups.

According to the Ministry of Commerce, more than 1,600 wholesale markets and 110 commercial enterprise groups had been established around the country by the end of 1990.

These reform measures, Zhang said, have eased the shortage of consumer goods. The total retail sales volume for social commodities has increased at an annual rate of 15 percent in the last 12 years, much higher than the average annual increase rate of 7.48 percent in the previous 30 years prior to 1978.

Article Examines 'Great Success' of Rural Reform

HK1012065591 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 47, 25 Nov 91 pp 16-17

[Article by Zhang Hongyu (1728 4767 1342): "China's Land System Transformation and Adjustment of Agricultural Structure—Reviewing China's Rural Reform and Development Since 1978"; first paragraph is editor's note]

[Text] Rural reform in China since 1978 has been a great success and is a focus of attention in the world. In March 1991, the UN Food and Agriculture Organization (FAO) entrusted China's Ministry of Agriculture the duty of a research project entitled "China's Land System Transformation and Adjustment of Agricultural Structure—China's Rural Reform and Development Since 1978," which ended up as a 220,000-character analysis and research report. The report carried out an authoritative analysis and assessment of the results of rural reform in China since 1978, the concrete content of the reform, its current shortcomings, and the problems which we must solve in the future. This journal asked Mr. Zhang Hongyu, one of the authors of the report, to summarize the main part of the report, which is 80,000 characters in length, into the following article for the reference of the readers who care about China's rural reform.

Overall Assessment: The Reason for Rapid Economic Growth in Rural Areas Comes From Reform

From 1978 to 1990, beginning with rural reform, China's economy entered one of its best periods of growth since the founding of New China. Calculated on the basis of comparable prices, total agricultural output value increased by an average annual 6.04 percent; growth of major farm product output surpassed other historical periods, total grain output increased by an average annual 3.2 percent, total cotton output increased by an average annual 6.28 percent, total oil crops output increased by an average annual 9.9 percent, and total meat output increased by an average annual 10.56 percent. Over the past 12 years, the output value of township and town enterprises increased by 26.7 percent, the

proportion of nonagricultural production within total rural social output increased from 30.5 percent to 54.9 percent, and per capita net income among peasants increased from 133.57 yuan to 629.79 yuan, with an average increase of 41.4 yuan a year, while in the 28 years before the reform, per capita income increased only 3.2 yuan a year on the average.

The reason for the rapid economic growth in rural areas comes from reform, and the basic sequence of reform had an adjustment of interests as the center by establishing the contract system of responsibility linked to production, which has family operations as the core, with innovations in organization as the means to establish a two-tier operations system, change the microeconomic operational mechanism, and develop economic organizations of various kinds in the rural areas; with changes in structure as the center to actively develop nonagricultural production in the rural areas and improve the efficiency of agricultural resources; and with upgrading living standards as the motive to industriously improve the quality of life among Chinese peasants. Practice has proven the reform a success. In particular, the spectacular contribution of the contract responsibility system linked to production on a household basis and of township and town enterprises to economic growth in China's rural areas has been recognized by the world as an important contribution which China has made to economic development in the world, especially to economic growth in developing countries.

Land System Transformation: Building a Mechanism Which Separates Two Kinds of Power

The essence of land system transformation is, through separating ownership rights from operation rights applied to rural land, to recognize and affirm the independent economic status and interests of peasant households. To the greatest extent, this system solved the problem of not being able to effectively use basic agricultural production factors—land and labor—which were locked up during the Commune period; therefore, it successfully promoted economic development in the whole period, as well as rural economic prosperity.

To summarize the evolution of this agricultural operation system: It developed from centralized operation by production team to a contract system of responsibility linked to production, to contracting output quotas to households with the production team conducting unified accounting, and to contracting output quotas to individual households without the production team conducting unified accounting. The system of contracting output quotas to individual households without the production team conducting unified accounting relied on the actual ownership of the means of production, such as land, to completely clarify the interest between work and fruit of labor. This reform has historic significance. On the premise of not touching upon collective ownership of land, it resolved the conflict between ownership of land and operation of land, gave peasant households the greatest self-determination rights in operations, the right to control products, and allowed peasant households to acquire unprecedented rights to participate in economic, social, and political affairs.

However, the new land system did not touch the root of the dual economic structure separating urban and rural areas. Along with the continuous deepening of market-oriented reform, traditional urban-rural conflict, and trade conditions between industrial and agricultural products have caused a new unbalance of interests among the state, collectives, and peasant households. Apart from the obvious changes in the external environment, fluctuations in the agricultural economy were also caused by conflict resulting from the arrangement of the current land system, as well as by the deviations caused by that arrangement. These are important reasons. For example, the expectation that there will be a long-term scarcity of land among peasants has caused short-term economic behavior and agricultural operations could not form an effective mechanism for investment and accumulation by itself. For example, under restraint of income, expectation, and risk, land as a limited production factor could not flow in a wider scope and be rationally allocated, and so on. Therefore, the building of the land system still needs breakthroughs.

Agricultural Operation System Amid Reform

With land system transformation as the juncture, China's rural areas actively promoted the contract system of responsibility linked to production. The new operation system developed strong points in resources allocation for integrating family operations with collective operations on the one hand, and on the other hand, enabled peasants to acquire certain basic rights which they lost during the Commune period. First, peasant households possess certain rights to occupy the means of production, including the right to operate land. Second, after fulfilling grain and oil crop quotas for purchase by the state, peasant households have the right and freedom to choose production and operational items, and their operations are unrestricted in terms of business category and scale. Third, depending on the operational situation, peasants have the right and a freedom to decide on how long and how hard they work. Fourth, independent auditing rights with the sole responsibility for profits and losses. Practice proves that as a result of conscious choice, the contract system of responsibility linked to production, which has family operations as the mainstay, is suited to China's agricultural characteristics, to the current level of agricultural production, and has extensive adaptability and long vitality.

It should be pointed out that there are many ways to carry out reform of the agricultural operation system. So long as an operation style can help encourage producers to increase output, income, and the commercialization of farm products, the government will actively support it and will not stubbornly adhere to any one style. The government will not use sweeping methods. It was precisely this kind of pragmatic reform which directly promoted innovations in the agricultural economic system. Along with production development, various operation styles emerged in rural areas, such as professional operators, new rural economic groups, rural professional technological associations, individual and private economies, and so on. These have played a role to

reckon with in promoting the development of the commodity economy in rural areas, absorbing surplus rural labor, and satisfying growing material demands among urban and rural people.

Although the contract system of responsibility linked to output has been a success, the biggest difficulty in reform of the operation system is the problem of how to establish a regular organization system, that is, how to build a new community economic system which really embodies the characteristics of a two-tier operational system and integrates centralized collective operation with dispersed peasant household operation.

It is undeniable that since reform of the agricultural operation system, the two-tier operation system continued to meet a series of problems. At the household operation tier, because of changes in the external environment, peasants did not expect family operations to last for a long time and this directly affected the economic behavior of peasant households, whose operations were small in scale, lacked motivation for technological advancement, and did not have adequate organic links with socialized large-scale production. There were many problems in linking peasant households and the market, and tens of thousands of peasant households felt threatened when faced with the gradual opening up of the market, as well as difficulties in operations. At the collective operation tier, many localities have imperfect collective economic organizations and their two-tier operations evolved into single-tier operations. Because collectives have little accumulation and are weak, they could not develop a centralized operation tier and have no means to operate socialized services for peasant household operations, which affected the stable growth of agricultural production. Therefore, the problem of how to discover an efficient mechanism to arrange resources for collective operation at the same time as we are continuing to develop a mechanism to stimulate family operations has always been a question of discussion in the course of reform. The efforts to build and improve socialized service systems made by various rural areas in the past few years have obviously been successful and practical.

Adjustment of Rural Industrial Structure and Development of Nonagricultural Production

The adjustment of the industrial structure in China's rural areas took changing the unitary grain economic pattern as the starting point and spread to agriculture and agricultural economy. Before 1978, although grain production had been put in an inappropriately important position for a long time, the unitary grain economic pattern did not bring about a leap in production. From 1952 to 1978, a period of 26 years, total grain output increased 2.4 percent on average each year, whereas from 1978 to 1984, a period of six years since reform, total grain output experienced annual increases of 5 percent on average and per capita production moved closer to average world levels for the first time. The increase in total grain output provided a condition for the adjustment of the agricultural structure. Furthermore, agricultural production developed more in the direction of diversification

and commercialization, and the development of nonagricultural production, represented by township and town enterprises, became a historical necessity. In the area of promoting the development of industrialization in the country, and in the areas of increasing peasant income, absorbing surplus rural labor, and improving efficiency in using rural resources, the development of township and town enterprises in China has made outstanding contributions. In the area of absorbing rural labor, in 1978, township and town enterprises hired 28,265,600 workers, accounting for 9.5 percent of the rural labor force; by 1990, staff working for township and town enterprises reached 92,648,000, accounting for 22.1 percent of the rural labor force. The proportion was even higher in areas with developed township and town enterprises. Judged from township and town enterprises' support for agriculture, from 1980 to 1989, funds from rural enterprises supporting agriculture increased by 200 percent; for collective welfare in rural areas, 300 percent; and for other projects, 100 percent. From 1985 to 1989, a period of five years, rural enterprises' funds for supporting agriculture and for improving people's living standards amounted to 63.442 billion yuan, accounting for 62.2 percent of their net profit in the same period.

If we say that China's traditional way of industrialization excluded agriculture and peasants, could not change the nature of traditional agriculture, and thus affected the total growth of the national economy, then, the new road of industrialization, which has been marked by the emergence of township and town enterprises and been participated in by 800 million peasants, has reduced the intensity of the dual economic system separating urban and rural areas, while township and town enterprises have become the pillar industry supporting the rural economy and an important component of the national economy. They not only basically changed the rural economic structure, but greatly improved the efficiency of the operation of the national economy and corrected the distorted pattern of resource distribution.

Peasants' Lives Amid Economic Growth

Looking at the lives of Chinese peasants since 1978, we find that due to the improvement in labor productivity made possible by the establishment of family operation status, the development of nonagricultural production, the state's efforts to adjust price parity between industrial and agricultural products, and the active functioning of other factors, peasant income changed from that of long stagnation to steady increases and the quality of life among peasants has improved markedly.

From 1978 to 1990, per capita peasant income in China increased from 133.57 yuan to 629.8 yuan, an annual average increase of 13.8 percent and 3.5 times faster than the growth from 1949 to 1978. Direct reasons for the increase in peasant income are as follows: First, the pattern of income distribution in urban and rural areas experienced

changes which were beneficial to peasants. After 1979, the government greatly increased purchasing prices for 18 major agricultural and sideline products, with increases as high as 22.1 percent. According to estimates, from 1979 to 1981, due to the increase of farm product prices, the portion of increase in peasant income accounted for 34.5 percent of the total amount of increased income, and for national income, the proportion from rural areas increased from 39.4 percent to 44.9 percent. Second, the development of nonagricultural production helped peasants to rapidly increase their income. In that part of peasant income purely derived from production, the portion from agriculture increased from 113.47 yuan in 1978 to 371.65 yuan in 1989, an average annual increase of 11.4 percent. In the same period, the portion from nonagricultural production increased rapidly from 9.39 yuan to 168.64 yuan, an average annual increase of 30 percent. Third, the incentive mechanism produced by the contract responsibility system has boosted labor productivity, while the effect of overall economic growth on increasing peasant income was also very pronounced.

The increase in peasant income has enabled peasant expenditure to rapidly increase. After the establishment of family operations status, the growth of peasant expenditure on production and operations was markedly higher than expenditure on daily necessities. In total expenditure, from 1980 to 1989, expenditure on family operations increased by an annual 27.5 percent on average, while expenditure on daily necessities increased by an annual 14.2 percent on average during the same period. At the same time, the structure of peasant expenditure on daily necessities also improved. One obvious feature was a decrease in the proportion of daily necessities and an increase in the proportion of goods which are not daily necessities. Of this, the proportion of expenditure on food decreased from 67.7 percent in 1978 to 54.9 percent in 1990, and Engel's Coefficient decreased by 12.8 percent; clothing expenditure decreased from 12.7 percent to 8.4 percent; and fuel expenditure decreased from 7.1 percent to 4.5 percent. At the same time, housing expenditure increased from 3.2 percent to 12.9 percent and consumer goods expenditure increased from 6.6 percent to 11.9 percent. Here we can see that in the past, expenditure was mainly for meeting the needs of clothing, food, and fuel. At present, on the premise of a greatly improved standard of basic necessities, attention is paid to housing, daily consumer goods, and so on, so improving the quality of life.

In addition, the Chinese Government has adopted a series of policies and measures to eliminate poverty and has scored results. Of the whole rural population in the country, less than 5 percent have an income below the poverty line. At the same time, many poor areas have solved the problem of food and clothing, while their production conditions have also improved and their quality of life has been markedly upgraded. These measures have provided developing countries with many enlightening and successful experiences in solving similar problems.

East Region

Shanghai People's Congress Committee To Meet

OW1512040191 Shanghai People's Radio Network
in Mandarin 1000 GMT-14 Dec 91

[From the "News and Weather" program]

[Text] The 30th meeting of the Ninth Shanghai Municipal People's Congress Standing Committee will open on 17 December.

The main items on the agenda are: to examine the revised draft of the Shanghai municipal regulations on sheltering and expatriation; to hear an explanation on revising the Shanghai municipal regulations on greening and afforestation and examine a draft decision on the revision; to hear and examine the municipal government's report on the study and industrial application of high and new technologies; to hear an explanation on a draft decision on approving the establishment of a people's procuratorate in the (Qingdong) land reclamation area in Shanghai Municipality and examine the draft resolution; and to examine and approve some appointments and removals of municipal government personnel.

Shanghai Strengthens Public Security Work

OW1512093491 Shanghai People's Radio Network
in Mandarin 2300 GMT 13 Dec 91

[From the "Morning News" program]

[Text] The five-day municipal meeting on public security work ended yesterday. Ni Hongfu, deputy secretary of the Shanghai Municipal CPC Committee, delivered a speech at the meeting.

Ni Hongfu fully affirmed the important role played by Shanghai's public security organizations in promoting stability and protecting economic construction during the past year. He encouraged cadres and public security policemen to implement seriously the guidelines of the 18th National Conference on Public Security Work and constantly make new achievements in public security work next year.

This year, the number of criminal cases in Shanghai has decreased for the first time since 1985. In the January-November period, the number of criminal cases in the whole municipality decreased 26 percent from the same period last year. Public security organizations have achieved significant results in the first battle against theft and a special struggle against prostitution this year. In 1992, public security organizations in Shanghai will painstakingly organize the second battle against theft and deal heavy blows to those who move from place to place committing crimes and those who pilfer from their own units. In addition, prostitution and the kidnapping and selling of women and children will be resolutely prohibited.

Editorial Views Economic Development Tasks

OW1612020691 Shanghai WEN HUI BAO
in Chinese 8 Dec 91 p 1

[Editorial: "Take Economic Development as a Focus To Create a New Situation for Various Works"]

[Text] The 12th Plenary Session of the Fifth Shanghai Municipal CPC Committee has triumphantly concluded. The plenary session, besides relaying the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, and after thoroughly and constructively discussing ways to strengthen agricultural and rural work and the building of a socialist civilization according to Shanghai's reality, has in principle adopted the Shanghai Municipal CPC Committee's "Opinions on Implementing the Spirits of the Eighth Plenary Session of the 13th CPC Central Committee and Strengthening Agricultural and Rural Work" and the Shanghai Municipal CPC Committee's "Opinions on Ways to Strengthen Building of Socialist Spiritual Civilization at the Present Time." The session has played an extremely important role in motivating the thorough implementation of the party's basic line, and in mobilizing party members and all the people in Shanghai, in high spirit and complete unity, to plunge themselves in the great cause of reform and construction.

The "Decision of the CPC Central Committee on Further Strengthening Agricultural and Rural Work," adopted by the Eighth Plenary Session of the 13th CPC Central Committee, is a guideline document for China's agricultural and rural work in the 1990's. In implementing the spirit of the eighth plenary session according to Shanghai's reality, we must strengthen and improve the party's leadership in both agricultural and rural work; extensively conduct rural socialist ideological education; stabilize and perfect the party's basic rural policy; continue deepening rural reform; and explore new ways to develop suburban agriculture and rural economy at an enhanced level and with the availability of both the advanced science and technology in the urban areas and the progressive productive force. Focusing on these tasks, party organizations at the municipal, county, and village level should make more efforts to improve agricultural and rural work. Rural cadres at various levels should establish the right concept of promoting agriculture as the mainstream of development with the coordinated development of other industries. Various trades and professions throughout the municipality should support agriculture and rural construction and sincerely and truly do something practical for the peasants, with the view of creating a new atmosphere, under which all party members, from top to bottom, will attach importance to, show concern in, support, and serve agriculture.

Both the Eighth Plenary Session of the 13th CPC Central Committee and the central work conference held recently discussed separately the two main topics of strengthening agricultural and rural work and improving large and medium-sized enterprises, showing that the

Central Committee has concentrated its efforts in implementing the basic line of "one center and two basic points" and persistently carrying out the central task of economic construction. The important tasks currently lying ahead of us, other than strengthening agricultural and rural work, are to invigorate the state-run large and medium-sized enterprises and to hasten the pace of Pudong's development and opening. It is necessary, through comprehensive and over-all reform, to strengthen enterprise management and speed up technological advancement; an effort to put enterprises onto a new track of independent management, sole responsibility in profits or losses, self-restraint, and self-development. Steps should be taken to produce more "made in China" products, promote "export-oriented" industries, speed up the construction of the urban infrastructure, improve investment environments in order to widely attract various categories of investments, and hasten the pace of Pudong's development and opening up. All these things are aimed at pushing Shanghai's reform, opening up, and construction to a new level.

Economic prosperity and an improved livelihood are not just the common aspirations of the people—and what they are basically interested in—but also the material foundation on which both political and social stability lie. Success in economic development will promote the building of the spiritual civilization. However, economic development can not replace the building of the spiritual civilization. Success in building the spiritual civilization provides not only a strong spiritual force for economic development, but also a guarantee of socialist orientation for reform and construction. Since the Third Plenary Session of the 11th CPC Central Committee, the Shanghai municipal party committee has attached great importance to building the spiritual civilization, and vigorously building it in the process of building the material civilization. However, there is still a considerable distance between the present condition of Shanghai's spiritual civilization building and the situation and task we face. In facing the strategic tasks of "revitalizing Shanghai, developing Pudong, and serving the whole nation with a world outlook," we should further strengthen the building of the spiritual civilization; instill the people of Shanghai with the new spirit of developing their own municipality in the capacity of being their own masters, serving the whole nation, and gaining global exposure through bold exploration, aggressiveness, and creativity. We should also encourage the people of Shanghai to adopt a realistic attitude, work harder, and contribute what they possibly can to building an image for the people of Shanghai characterized by unity, aggressiveness, pragmatism, and civilization. We should also make efforts to promote a stable social environment, fine social ethics, good-quality social services, a clean and tidy appearance of the city, perfect cultural facilities, and civilized social habits to meet the demands for making Shanghai a socialist, modern, export-oriented, and multi-functional international city with a rational industrial structure, advanced science and technology, and a high degree of civilization.

Concentrating on party building and improving in an all-round way the combat capability of party organizations at various levels are the political and organizational guarantees for doing a good job in economic construction and all other work. Party committees at various levels should conscientiously study ways to intensify and improve party leadership in economic work and ensure the socialist orientation of construction and reform. They should study ways to bring into full play the role of party organizations as the political core and fighting bastion, and communists' role as the exemplary vanguard. They should also study how to do well in mass work by diverting the attention of the masses to the development of production and by motivating them to contribute their wisdom and strength to economic construction.

Shanghai is currently enjoying social stability and economic prosperity, and its people are striving to make progress. We should grasp this favorable opportunity to do a better job in economic construction and all other work, further emancipate our minds, seek truth from facts, enhance our spirit, and work hard. We should, on the premise of adhering to the four cardinal principles and submitting to the over-all situation, promote the spirit of daring to explore and take up responsibility; be good at surmounting difficulties and solving problems in the spirit of reform while forging ahead; tactfully integrate the line, principles, and policies of the Central Committee with the realities of our own localities, departments, and units; and wisely stimulate the enthusiasm, initiative, and creativity of the broad cadres and masses.

History has entrusted us, the present generation of Shanghai, with this extremely difficult mission. Reality has also accorded us with a rare opportunity on the one hand and a severe challenge on the other. We should, with a high sense of mission, responsibility and urgency, thoroughly implement the party's basic line, persist in simultaneously developing the material and spiritual civilization, and make vigorous efforts to create a new situation in which work in all fields can be done according to Shanghai's own standards and efficiency, and in its own style and spirit. Let us greet the convening of the 14th National Party Congress and Shanghai's sixth party congress with practical deeds!

Industrial Output Up Despite Poor Efficiency

HK1512051491 Beijing CHINA DAILY (SHANGHAI FOCUS) in English 15 Dec 91 p 1

["Industrial Output Up but Snags Still Remain"]

[Text] Shanghai's industrial sector witnessed a sharp increase in output and brisk sales during the first 11 months of the year, but poor economic efficiency is still the biggest headache.

Total industrial output in Shanghai reached 179.4 billion yuan (\$33 billion), up 13.1 percent over the same period last year and sales income by local enterprises that fall within the State budget reached 74.57 billion yuan (\$14

billion), up 11.8 percent over the same period last year, according to the latest report from the municipal Statistics Bureau.

Local enterprises are paying increasing attention to market exploration and taking measures to spur their sales, the report said.

A sharp rise in sales income was seen in the municipal Metallurgical Industry Bureau, municipal Building Materials Industry Bureau, Computer Corporation, Shanghai Automotive Industry Corporation and Electric United Corporation, each of which had a rise of over 15 percent during the first 11 months.

For Shanghai Automotive Industry Corporation, municipal Electric and Mechanic Industry Bureau and Municipal Light Industry Bureau, the sales increases have reached almost 100 percent.

Taxes and profits at local enterprises within the State budget also increased slightly to 8.63 billion yuan (\$1.6 billion) during the first 11 months, up 0.01 percent over the same period last year. This represents considerable progress since the taxes and profits earlier this year dropped by more than 10 percent over the same period last year.

The deficit volume in the local industrial sector dropped by 470 million yuan (\$87 million) during first 11 months, down 11.5 percent compared with the same period last year.

Large and medium sized State-run enterprises continued to be the pillar of the local industry.

Statistics showed that the total industrial output during the first 11 months by large and medium sized State-run enterprises reached 108.06 billion yuan (\$20 billion), up 10.9 percent over the same period last year. Their output accounted for 60.2 percent of the city's total.

Breaking down the figure, light industry reached an industrial output of 90.44 billion yuan (\$17 billion) during the first 11 months, up 9.8 percent while heavy industry concluded with 88.99 billion yuan (\$17 billion), up 16.7 percent.

Output in State-run enterprises rose 6.7 percent to 117.33 billion yuan (\$22 billion) while collectively run enterprises jumped 15.4 percent to 30.82 billion yuan (\$5.7 billion).

Other economic sectors produced 31.28 billion yuan (\$5.8 billion) during the first 11 months, up 42.8 percent, in which overseas-funded ventures rose 62.5 percent to 13.97 billion yuan (\$2.6 billion).

During the first 11 months, the city's industrial sector made 24.08 billion yuan (\$4.5 billion) worth of export products, accounting for 13.4 percent of the city's total.

Although economic efficiency is improving, it is still lower than the normal level of Shanghai, according to an official from the municipal Statistics Bureau.

Local enterprises are still facing great difficulties in their attempts to further improve their efficiency, which related to the restructuring of enterprises' internal organization, operation mechanism and other deep-rooted problems.

At present, the enormous triangle debt chain and high production costs pose problems for improving economic efficiency, the official said.

By the end of October, total arrears payments owed to the local industrial sector reached as high as 18.41 billion yuan (\$3.4 billion), up some 3 billion yuan (\$558 million) compared with the beginning of the year.

Total production costs actually rose 2.15 billion yuan (\$400 million) during the first 10 months compared with the same period last year.

Bank Funds Agricultural Development in Shanghai

OW1312090791 Beijing XINHUA in English
0722 GMT 13 Dec 91

[Text] Beijing, December 13 (XINHUA)—The Shanghai branch of the Agricultural Bank of China has focused its funding on the support of science and technology development in the rural areas outside the city proper.

In the past five years the bank provided one billion yuan to support the scientific and technological development of more than 470 agricultural projects, resulting in an increased output value of more than 1.1 billion yuan and taxes of 169 million yuan.

In the past few years it has funded more than 100 projects on the "Harvest Program," greatly promoting the agricultural output on the outskirts of Shanghai.

It also loaned 427 million yuan and 60 million U.S. dollars to aid 362 projects on the "Spark Program" on Chongming Island, and in Nanhui and Jiading Counties.

Central-South Region

Guangdong Province To Crack Down on Child Labor

HK1512071791 Hong Kong HSIN WAN PAO
in Chinese 14 Dec 91 p 2

["Guangdong Provincial Government Issues Circular Banning Employment of Child Labor"]

[Text] Guangzhou 14 Dec (HSIN WAN PAO)—Not long ago, the Guangdong provincial government issued a circular on relevant issues in implementing the State Council's "Stipulation on Banning the Employment of Child Labor."

The circular requires all places to conduct a comprehensive checkup on the employment of child labor, while

severely handling cases of units and individuals employing child labor. Labor departments at all levels should augment control over issuing job-awaiting certificates and certificates for people seeking jobs in other provinces, and identity cards of persons applying for such certificates must be presented; for those people who have not yet been issued their identity cards, they must present certificates issued by local police substations with evidence that they are above the age of 16. Regarding teenagers within the age bracket of 13 and 15, who have not entered junior high schools in poverty-stricken rural areas, where conditions for implementing compulsory secondary education are absent, and who really have need of partaking in supplementary labor within their capabilities for economic income, their jobs should be confined to helping their own families in farming and breeding, complementary work in handicraft industry, individual households specialized in commerce and service trades, and manual labor which enterprises contract from households.

The circular emphasizes that heavy fines will be meted out to units or individuals violating the stipulation on banning the employment of child labor; aside from sending the children involved to where they came from, the hiring of each child laborer will be fined 3,000 yuan, and the fine will be doubled in serious cases.

Move Coincides To 'Toycott'

HK1612015891 Hong Kong SOUTH CHINA
MORNING POST in English 16 Dec 91 p 10

[By Chris Yeung]

[Text] Guangdong has ordered a provincial crackdown on child labour coinciding with the "toycott" campaign in the United States against toys made by children or forced labour in China.

The provincial government has issued a directive demanding local authorities to conduct a full-scale investigation into the problem of child labour in the province.

Factories and individuals found to have violated the relevant laws should be severely punished, the provincial authorities have said. The measures were taken after the State Council ordered that regulations governing the ban on child labour be strictly implemented in the localities.

Any children found to be working unlawfully should be immediately sent back to their home towns, according to the directives. The employer should be fined 3,000 yuan (HK\$ [Hong Kong dollars] 4,326) for employing every illegal child worker and double that for "some serious cases".

The provincial government urged labour departments at all levels to tighten supervision over the issuing of certificates for the unemployed and workers given jobs outside their native towns. Certificates should only be granted to those with identity cards.

Workers who had yet to obtain an identity card should apply for a statement from the public security bureaus in their residential districts to prove that they had reached the age of 16.

The directives also spelled out the employment requirements for children between 13 and 15 in poor rural regions, where "conditions for compulsory junior secondary education were not ripe."

Their jobs should be limited to a "supporting" role in household agricultural and handicraft industries and service industries run by individuals, it said. They should receive salaries.

U.S. human rights activists and trade groups launched the "toycott" campaign this month, claiming that children and prisoners were being used to make toys.

Further on Child Labor Crackdown

HK1412083591 Hong Kong AFP in English 0759 GMT
14 Dec 91

[Text] Hong Kong, Dec 14 (AFP)—Authorities in China's southern Guangdong Province have vowed to eliminate child labour by imposing tougher penalties for those who employ the under-aged, it was reported here Saturday.

The provincial government announced in a circular that it would launch raids across the province to tackle the problem, the pro-Beijing NEW EVENING POST [HSIN WAN PAO] reported.

Anyone found using child labour will be severely dealt with, the paper said without specifying the punishment.

Labour departments at all levels in the province would also tighten up controls in labour affairs in Guangdong, the paper added.

Job applicants, from both inside and outside the province, would be required to produce identity cards or papers to certify their age before being allowed to work, it said.

For those families in real need of financial assistance, their children would only be allowed to undertake work under strict supervision, the paper said.

Beijing has never openly admitted the existence of a child labour problem in the country, but the point has become part of the on-going dispute between China and the United States over trade issues.

Washington, accusing China of exporting goods manufactured by child labour and prison inmates, has threatened to retaliate against Beijing unless it takes action to improve the situation.

Guangdong Fulfills 1991 Industrial Production Plan

HK1212135691 Guangzhou NANFANG RIBAO
in Chinese 7 Dec 91 p 1

[By Rui Feng (3843 1496), Ming Jin (6900 3160), and Yu Chao (5940 3390): "Guangdong Province Fulfills Annual Industrial Production Plan Ahead of Time"]

[Text] The latest data provided by the provincial Statistical Bureau shows that, in the first 11 months of this year, Guangdong Province's total industrial output value was 182.891 billion yuan, accounting for 103.3 percent of the annual plan. This represents an increase of 27.1 percent over the same period last year.

The accumulated output value of industries owned by the whole people was 80.547 billion yuan between January and November this year, up 19.6 percent over the same period last year. The economic results of state-owned industrial enterprises covered by the budget keep improving. By the end of last October, their total output value was 39.703 billion yuan, their sales income was 38.179 billion yuan, and their realized profits and taxes were 3.798 billion yuan, increasing by 19.9 percent, 21.4 percent, and 33.4 percent respectively over the same period last year; funds held up by products and manufactured goods were 4.685 billion yuan, and losses amounted to 0.598 billion yuan, down 0.8 percent and 19 percent respectively over the same period last year. The percentage of capital profits and taxes, sale profits and taxes, and labor productivity distinctly improved over the same period last year, and the turnover period for fixed working capital also accelerated appreciably.

In the first 11 months of this year, the accumulated output value of industries under collective ownership was 51.035 billion yuan, an increase of 21.6 percent over the same period last year.

Between January and November, the total output value of large and medium industrial enterprises was 82.385 billion yuan, increasing by 23 percent over the same period last year or accounting for 45.1 percent of the province's total industrial output value.

A distinguishing feature of Guangdong's industrial growth this year is that the high-speed development of industries of other economic types, mainly foreign-funded enterprises, has increased Guangdong's industrial power and vigorously boosted the growth of its export-oriented industries. Most of the manufactured goods produced with the use of foreign capital are sold abroad. According to statistics, the total output value of industries of other economic types in the first 11 months of this year exceeded that under collective ownership for the first time, reaching 51.309 billion yuan. This represents an increase of 48.2 percent over the same period last year or accounts for 42.8 percent of Guangdong's newly added output value. It is an important factor for the steady growth of Guangdong's industry.

Judging by the fulfillment of production plans for major manufactured goods in the first 11 months of this year, the accumulated output of some 85 products, which accounts for 81 percent of the assessed products, was more than it was last year. Those increasing by a large margin include bicycles, air conditioners, raw salt, beer, yarn, silk, crude oil (output), aluminum, synthetic fiber, dye material, automobiles, small tractors, internal-combustion engines, electronic computers, and program-controlled exchanges. The annual production plans for 36 products have been fulfilled, accounting for 60 percent of the planned products. It is estimated that the production of 80 percent of the annual planned products will be completed by the end of this year.

Since the beginning of this year, urban and rural markets in Guangdong have been both brisk and stable. Investments in fixed assets have been completed quite satisfactorily, and the sources of capital have also been relatively ample, thus providing a fairly good external condition for industrial production in the whole province. However, the current speed of Guangdong's industrial growth is still too high, and the funds held up by products and manufactured goods are still quite considerable. All localities should conscientiously prevent blind pursuit of output value and firmly grasp the work of reducing inventory in order to bring about a steady upturn in Guangdong's industrial economy.

Guangzhou Strengthens Health, Quarantine Services

OW1212230191 Beijing XINHUA in English
1516 GMT 12 Dec 91

[Text] Guangzhou, December 12 (XINHUA)—The Guangzhou public health and quarantine departments have strengthened the public health and quarantine services in their 68 ports in six cities in recent years.

In the past five years, the Guangzhou Public Health and Quarantine Bureau has completed health checkups of 23.5 million people that entered or left the country, and found more than 30,000 people not up to health standards.

During the same period, the bureau also quarantined about 1.4 million tons of imported foodstuffs, discovering 12,400 tons of foods not meeting health requirements, this saved the nation losses of more than 28 million yuan.

In the past five years the bureau examined more than 370,000 containers and about 1.3 million tons of waste and second-hand products.

The strict public health and quarantine service has effectively prevented the transmission of infectious diseases.

Guangzhou Expects 'Adequate Power Supply'

HK1512062691 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 15 Dec 91 p 2

[By staff reporter Li Zhuoyan: "Generators Will Provide Province Enough Power"]

[Text] Guangzhou—The capital of the Guangdong Province expects to have an adequate power supply by the end of next year, and is already looking farther into the future with projects in power and transportation.

Vice-Mayor Liu Nianzu declared confidently that the first generating unit of the Zhujiang Power Station, one of the State's key projects in its Eighth Five-year Plan (1991-95), would begin operation by that time, consuming and yielding 6 million kilowatts of power every day and satisfying the present need of 2 million kilowatts a day.

Construction started last year on the project, which should cost 1.6 billion yuan (\$301 million). The first phase of the project will install two generating units, the second of which should be completed by June 1993. The two units will turn out 3 billion kilowatts of electricity every year.

The station is one of Guangzhou's efforts to improve the investment environment by developing its energy and raw materials supply, telecommunications, transportation, and infrastructural constructions, such as electricity and water works.

To prepare for industrial growth, the city plans to build two more heat and power plants, each with a total installed capacity of 125,000 kilowatts.

The municipality is looking for foreign investors for these projects, which would cost a total of 480 million yuan (\$90.6 million).

Another idea—one of great interest to Guangzhou citizens—is to build a 14.7-kilometre subway connecting the city's east and west sides.

The project would cost 4.13 billion yuan (\$779 million), begin construction in 1993 and be completed in eight years.

Over 30 corporations from 13 countries and regions, including France, Britain, Canada, the United States and Hong Kong have expressed interest in financing the subway.

"If we don't find our way under the ground, we will be paralysed on it by the incurable traffic jams," an official in charge of the preparation work for the subway said.

And to improve its transportation on water, Guangzhou is building a 10-berth 350,000-ton (dwt) [deadweight ton] harbour. Five of the ten berths of the Xinsha Harbour have already been completed with help from a World Bank \$88.06 million loan. The whole project, to cost 1.227 billion yuan (\$232 million), will be able to handle 7.6 million tons of goods annually.

The city also wants to produce more raw materials for its quickly developing industries.

These projects include a soda ash manufactory to produce 150,000 tons of soda ash every year, a steel plant with a total investment of \$570 million, a large-scale ethylene factory and a polypropylene firm.

Deng Hongxun Relays Plenary Session 'Spirit'

HK1112071191 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 7 Dec 91

[Excerpts] Yesterday morning [7 December], the provincial party committee called a meeting of party-member leading cadres to relay the spirit of the Eighth Plenary Session of the 13th CPC Central Committee. [passage omitted]

Seated in the front row of the rostrum were: Deng Hongxun, provincial party committee secretary and also an alternate member of the CPC Central Committee; Deputy Secretary Liu Jianfeng; Wang Yuefeng, alternate member of the CPC Central Committee; Wei Zefang, member of the provincial party committee Standing Committee; and so on.

Deng Hongxun and Liu Jianfeng respectively relayed the spirit of the Eighth Plenary Session of the 13th CPC Central Committee. They told the audience: The Eighth Plenary Session of the 13th CPC Central Committee focused on agricultural production and rural work. The session deliberated on and approved the decision on further strengthening agriculture and improving rural work made by the CPC Central Committee and the resolution on convening the 14th CPC National Congress.

The resolutions passed by the plenary session comprehensively analyzed the achievements in agricultural production and rural work in the 1980's, set major tasks for the 1990's, and defined a series of principles and policies. The resolutions serve as programmatic documents guiding China's agricultural production and rural work for a considerable time to come.

Deng Hongxun and Liu Jianfeng added: The plenary session fully reaffirmed various basic policies for rural areas introduced by the party following the Third Plenary Session of the 11th CPC Central Committee and spoke highly of the achievements made in rural reforms and development in the 1980's.

The plenary session pointed out: Agriculture provides the base for economic development, social stability, and national independence. The session stressed the need to continue with [words indistinct] and rural reforms, promoting comprehensive development of the rural economy.

The plenary session considered it necessary to continue stabilizing the contracted responsibility system on the household basis with remuneration linked to output as the main form and to continue perfecting the dual management system characterized by unity and separation [passage indistinct].

Briefs Nonparty Figures

HK1312043391 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 9 Dec 91

[Text] On the morning of 9 December, the provincial party held a report meeting on the situation.

Deng Hongxun, provincial party secretary, and Liu Jianfeng, the provincial party deputy secretary and governor, reported to our province's democratic party and non-party figures respectively on the spirit of the Eighth Plenary Session of the 13th CPC Central Committee. Leaders of our province's democratic parties and non-party representatives that participated in the meeting included (Hu Tianyin), (Hu Kai), (Tian Fupai), (Lin Huaxin), (Fan Xinmin), (Ding Zhongqi), (Hua Fuxin), and (Yang Xiling). (Zhang Jintao), vice chairman of the provincial Chinese People's Political Consultative Conference, and (Huang Pugui), vice head of the provincial party committee United Front Work Department, also attended the meeting.

Inspects Qiongsan County

HK1612090491 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 13 Dec 91

[Text] Yesterday [13 December], accompanied by Ye Hongdui, secretary of the Qiongsan County CPC Committee and Zhou Yasong, magistrate of Qiongsan County, Deng Hongxun, provincial party committee secretary, inspected the Tianjing Stone Material Plant, the Liulong Engineering and Machinery Company, an amusement park run by the Minyuan (Hainan) Company, the Caida Golf Links, and a number of enterprises involved in promoting the introduction of advanced foreign technology and strengthening cooperation with units in the hinterland.

In the Tianjing Stone Material Plant, which is run with investments made by Taiwan entrepreneurs, Deng Hongxun spoke highly of the method used by the Taiwan entrepreneurs of manufacturing stone materials from Hainan stone and earning foreign exchange through exports.

In the Liulong Engineering and Machinery Company, Deng Hongxun asked in great detail about the production situation and pointed out: It is necessary to make full use of all the policies adopted by the special economic region and waste no time in improving product quality and strengthening product competitiveness on the international market. All enterprises in the special economic region must be run using new thinking and new methods. To this end, we must aim higher and be bolder and more resolute in our work. Things would not work should we persevere with our old practices, old thinking, and old pattern. All cooperating partners must try to arouse each other's enthusiasm, join hands in resolving problems, and share profits.

In the amusement park, run with investment made by the Minyuan (Hainan) Company and in the Caida Golf Links, Deng Hongxun was gratified to see the fast construction pace. He pointed out: In the future, Qiongsan County should try to make use of these amusement facilities to further develop tourism.

During his inspection of a stockaded village called Yonglong, Deng Hongxun stated: It is necessary to expand the collective economy and speed up township and town

enterprise development. All township and town enterprises must implement the joint-stock system, accumulate funds, borrow from banks, and raise funds from among the masses in order to seek further development. [words indistinct]

While inspecting a canal, Deng Hongxun expressed his satisfaction over the well-built and fine looking project, saying: All water conservancy projects across the province should be built in this way. Only by building similar water conservancy projects will we be able to irrigate farmland and drain flooded fields. In future, we should build a batch of key projects each year. If we continue to do things in this way for 10 to 15 years, we will be able to become immune to flood disasters.

Conference on Indochinese Refugees Concludes

HK1612024791 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 11 Dec 91

[Text] The two-day Hainan provincial Indochinese refugee work conference concluded in Haikou yesterday.

The conference summed up our provincial refugee resettlement work in the previous period and made arrangements for the next stage of refugee work.

Between 1978 and May 1990, our province resettled a total of 29,480 Indochinese refugees and their children. Some 50 percent of these have now become self-sufficient while a small number have embarked on the road leading to prosperity. [words indistinct]

Wang Xueping, provincial vice governor and leader of the Hainan provincial leading group for receiving and resettling Indochinese refugees, delivered a speech at the conference. Wang called on government departments at all levels to take resettling Indochinese refugees as an important task, take practical steps to protect their legitimate rights and interests, ban political discrimination, provide economic assistance and legal protection, and help refugees develop production, to further consolidate their resettlement work.

Hainan Working Committee for Colleges Established

HK1212034291 Haikou HAINAN RIBAO in Chinese
13 Nov 91 p 1

["Hainan Establishes CPC Working Committee for Institutions of Higher Learning"]

[Text] At a provincial work meeting on party building in institutions of higher learning, held 11 November, Li Zhimin, member of the provincial CPC Committee Standing Committee and director of the Organization Department, announced on behalf of the provincial CPC Committee the provincial CPC Committee decision on establishing the provincial CPC working committee for institutions of higher learning.

The working committee's duties include: Leading party organizations in institutions of higher learning to promote

their development in terms of thinking, organization, and work style; leading party organizations in these institutions to do ideological and political work for students and teaching and administrative staffs; guiding party organizations in these institutions to strengthen their leadership over mass organizations, including trade unions, communist youth leagues, student unions, and representative assemblies of teaching and administrative staffs; guiding party organizations in these institutions to exercise political leadership over democratic parties to do united front work well, and working in coordination with the provincial CPC Committee Organization Department to organize well leading bodies in these institutions.

Our provincial CPC working committee for institutions of higher learning is composed of the following persons: Its secretary is Xin Yejiang; deputy secretaries are Fu Honghe and Qiu Senfang; members are Lin Yamin, Pan Yanqing, and Huang Liangyi.

Southwest Region

Yang Rudai Discusses Eighth Plenary Session

HK1412024191 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 11 Dec 91

[Excerpt] The four-day Ninth Plenary Session of the Fifth Sichuan Provincial CPC Central Committee ended on the afternoon of 11 December. Yang Rudai, provincial party secretary, gave an important speech at this session. Li Boyong, Nie Ronggui, Feng Yuanwei, and Song Baorui, provincial deputy secretaries, attended the session.

At the session, Comrade Yang Rudai spoke on five issues: First, conscientiously implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee regarding the strengthening of agriculture and rural areas. Second, continue to implement the spirit of the central work conference by improving large and medium state enterprises. Third, carry out the strategy of invigorating Sichuan with science and technology to promote vigorously scientific and technological progress. Fourth, strengthen the spiritual civilization, democracy, and legal system of [words indistinct] and improve socialist education in rural areas. Fifth, hold a wide variety of activities based on studying, unifying [words indistinct] among leading groups of the party and government at and above the county level to enhance the combat effectiveness of party organizations at all levels. [passage indistinct]

Yunnan 'Reform-Through-Labor' Program Profiled

HK1212143691 Kunming YUNNAN RIBAO in Chinese
10 Nov 91 p 1

[By Liu Zuwu (0491 4371 2976): "Our Province Has Great Success in Reform-Through-Labor"]

[Text] With great achievements, our province's reform-through-labor program marked its 40th anniversary on 9 November. While attending the ceremony to convey his

regards, Yin Jun, deputy secretary of the provincial party committee, said that the reform-through-labor program has made tremendous contributions to the development of the socialist legal system, consolidation of the people's democratic dictatorship, and to guarantee and promote socialist construction.

Founded in 1951, our province's reform-through-labor program has gone through four stages in the past 40 years; namely, arduous pioneering, steady development, "cultural revolution," and reform and opening up. It went through full-scale evolution and initiated the great cause of probation and reformation of criminals with Chinese characteristics. In particular, it has brought forth successful experiences in reforming ethnic minority offenders and drug offenders. Over the past 40 years, the reform-through-labor sector has imprisoned and reformed a large number of criminals and made arrangements for some ex-convicts to continue to work in the reform-through-labor farms and factories. Since the beginning of the 1980's, 28 special schools have been set up in this sector to give regular political, cultural, and technical education to criminals. Through the examination of relevant departments, over 14,000 people obtained technical certificates, over 15,000 obtained literacy certificates, 14,000 obtained primary or secondary graduation certificates, and over 90 obtained graduation certificates from television and correspondence universities. The rate of relapse among ex-convicts was kept under 3 percent. Most of the criminals became law-abiding and self-sufficient citizens and useful to socialist construction because of reformation.

At the beginning, the Reform-Through-Labor Department was allocated only 1.7 million yuan, but now its fixed assets amount to 740 million yuan. The aggregate industrial and agricultural output value turned out by this sector over the 40 years is tens of billions of yuan. The enterprise management and scientific and technological standards of reform-through-labor units have also made great progress. Two units were upgraded to the position of second class state enterprise, four were upgraded to the provincial level, and six passed the state-level assessment of overall quality control; seven products adopted international standards, 15 won such titles as provincial best, ministry best, and state best, and the output value of good-quality products now takes up 30.6 percent of the total industrial and agricultural output value in this sector, contributing considerably to the economic development of our province.

Yin Jun expressed his hope that the 30,000-odd officers and men and workers in the reform-through-labor sector will sum up their experiences, carry forward their achievements, and do a good job in the future in the following four aspects: Studying conscientiously and reinforcing their faith in the socialist motherland and the CPC; strengthening the organizational building of leading groups, officers and men, and workers; doing a better job of production and construction; and doing better in the construction of the prisons' infrastructure.

Also present to convey their regards at the ceremony were Li Guiying, Qiu Chuangjiao, Li Shuji, Jin Renqing, Luo Yuntong, and the comrades in charge of relevant provincial departments.

Northeast Region

Sun Weiben Urges Emphasis on Animal Husbandry

SK1312062891 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 12 Dec 91

[Text] Sun Weiben, secretary of the provincial party committee, went to the provincial Animal Husbandry Bureau on the afternoon of 12 December to hear a report on Heilongjiang's development of animal husbandry. He urged efforts to regard animal husbandry as a key aspect of production.

During the Seventh Five-Year Plan, Heilongjiang's number of cows reached 540,000, ranking first in the country; its pig production increased to make it self-reliant in supplies of pork; and its breeding of other livestock developed rapidly. During last year's nationwide emulation drive in making contributions to animal husbandry, Heilongjiang won first place in the Animal Husbandry Development Cup emulation and the Grassland Cup emulation and was commended and awarded by the Ministry of Agriculture.

After hearing the report by Zhao Yuncheng, director of the provincial Animal Husbandry Bureau, Sun Weiben pointed out: Our endeavor to develop large-scale agriculture means that we should regard animal husbandry as a key aspect of production and, through the development of animal husbandry, expand farming and facilitate township enterprise development. To restructure our production and enable peasants to achieve prosperity as soon as possible, we should develop grain, animal husbandry, and township enterprise production simultaneously to lead the development of other trades of rural areas. Only in this way can we achieve a fairly comfortable standard of life by the end of this century. Judging from the need for improving living standard and adjusting people's diet structure, animal husbandry development is a must. As a marketable grain production base, Heilongjiang has good-quality grassland. It must achieve success in developing animal husbandry. We should have lofty ideals when developing new products and our products should reach all localities of the country and march toward the world.

He said: We should carry out the task to stabilize grain production and develop animal husbandry persistently. We should be determined to relax control over the pig business, which, however, never means washing our hands of the business. Instead, we should do a good job in coordinating production with marketing, intensify efforts to improve the market, and pay attention to quarantine.

Writes Article on Afforestation

SK1312151491 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 12 Dec 91

[Text] The 10th anniversary of the National People's Congress's resolution on carrying out an all-people voluntary tree-planting campaign falls on 13 December. Sun Weiben, secretary of the provincial party committee, wrote an article, entitled: "All the Party Should Be Mobilized and All the People Should Participate in and Exert Unremitting Efforts To Realize the Goal of Making the Vast Land of Heilongjiang Green."

The article states: Since the unfolding of the all-people voluntary tree-planting campaign 10 years ago, the whole province has planted trees on 5.436 billion mu of land. This is equivalent to the total number of trees planted during the 30 years from the country's founding until 1980. The tree conservation rate was increased by nearly 100 percent. Thus, this period marked the province's best period of afforestation and greening since the country's founding. We may say that our province's success in the past two years in exceeding the grain production target by 40 million jin cannot be separated from the development of afforestation. In spite of this, our province's afforestation task has remained very arduous. The afforestation rate still lags far behind that of some advanced provinces and cities. We must clearly understand this, make better decisions, and exert greater efforts to push forestry forward. Forestry is one of the important components of the national economy. Planting trees and making the motherland green is one of the state's major policy decisions. It is very significant in accelerating national economic development, improving the environment, and promoting the building of the spiritual civilization. Practice shows that to develop agriculture steadily, we must push forestry ahead; comprehensively improve mountains, rivers, forests, fields, and roads; and advance agriculture, forestry, animal husbandry, sideline production, and fisheries on a large scale. Building a fairly stable and coordinated ecological farming system is the only way for accelerating our province's agricultural development, as well as for meeting the specific demand set for forestry at the eighth plenary session of the 13th Central Committee. The next 10 years will be crucial for realizing the whole province's 10-Year Program for national and economic development and the Eighth Five-Year Plan. It also will be a period for realizing the provincial afforestation and greening plan and the decision of the provincial party committee and the provincial government on making the vast land of Heilongjiang green in 12 years. In forestry construction, we should conscientiously implement the decision of the CPC Central Committee on further strengthening agriculture and rural work adopted at the eighth plenary session of the 13th Central Committee; keep our eyes on creating a good ecological environment for agricultural and animal husbandry development; strengthen momentum for agricultural development; proceed in vigorously strengthening afforestation; persist in paying simultaneous attention to tree planting and

conservation; increase forestry resources; strengthen forestry vitality; and gradually realize a well-rounded cycle in forestry economy and forestry resources. In the future, party committees and governments at all levels must adopt feasible measures, make redoubled efforts, and work in a down-to-earth manner.

First, we must strengthen leadership and implement responsibility. Party committees and governments at all levels must pay attention to afforestation as they did in grain and water conservancy and must place it on the agenda, so that economic and ecological construction will be simultaneously developed. It is necessary to uphold the system of making leaders assume full responsibility for attaining certain greening targets during their tenure. It is necessary to regard forestry construction as one of the important aspects in assessing the administrative achievements of the party and government leaders at all levels. Thus, it is necessary to implement the method of devaluing one's achievements if one does not fulfill the afforestation target.

Second, we should mobilize and organize the efforts of all social sectors to carry out large-scale afforestation. Afforestation is a project involving all of society. We should create a macroclimate of pooling social efforts to run forestry and have all people plant trees in the whole province. The masses and Communist Youth League [CYL] organizations should do a good job in organizing and mobilizing the people to plant trees. The mass media should create a momentum for this; Communist Party members and CYL members should play a vanguard and exemplary role in afforestation.

Third, we should further implement policies and increase afforestation input. Party committees and governments at all levels and all trades and departments should implement all preferential policies and the eight measures on increasing afforestation input stipulated in the decision of the provincial party committee and the provincial government in places where needed as quickly as possible. Meanwhile, we should proceed from the actual situation of various localities, formulate related supporting measures, and create a relaxed external environment for afforestation and forestry development.

Fourth, we should rely on science and technology, pay attention to actual results in afforestation, comprehensively implement the plan of developing forestry through science and technology throughout the province, actively popularize new afforestation technology and achievements, and translate them into productive forces as quickly as possible. It is necessary to persist in planting trees with high quality and meeting high standards, attend to quality control during the whole process of afforestation, and guarantee that all trees planted survive, all afforested lands become tracts of forests and produce timber, and that actual efficiency is achieved.

Fifth, we should strengthen forest protection and persist in running forestry in line with the law. It is necessary to implement the forestry law conscientiously; resolutely deal

blows to lawbreaking and criminal acts damaging forest resources; do a better job in building a system focusing on preventing forest fires, preventing and curing tree disease and inspect pests, checking wanton tree-cutting and reckless hunting of wildlife, and strengthening management of forest resources; strengthen the building of collective forest protection teams in villages; perfect and implement all sorts of forest management and protection systems; strengthen forest management and protection; and consolidate afforestation achievements.

At the end of his article, Sun Weiben says: Making Heilongjiang green is a great historical mission for us. To realize this objective, we have to shoulder heavy responsibilities. People across the province should actively participate in this great cause with a sense of responsibility of being masters of the country and of cherishing China and making our Heilongjiang green. Under the guidance of the guidelines of the eighth plenary session of the 13th Central Committee, they should engage in self-reliance and arduous struggle, work in a down-to-earth manner, make unremitting efforts, and strive to realize the grand strategic objective of making the vast land of Heilongjiang green by the end of this century.

Shao Qihui Views Role of S&T in Development

SK1212050891 Harbin HEILONGJIANG RIBAO
in Chinese 23 Oct 91 pp 1, 2

[Speech by Shao Qihui, governor of Heilongjiang Province, given at a report meeting on developing Heilongjiang through science and technology, held by the provincial government from 17 to 19 October: "Firmly Promote the Endeavor to Develop Heilongjiang Through Science and Technology"]

[Text] Since July 1988, when the provincial party committee and government set forth the strategic principle of "developing the province through science and technology," work in various fields in Heilongjiang has been brought to the track of reliance on scientific and technological advances, and notable results have been achieved. The past two years' practice in "developing the province through science and technology" has given us the following enlightenment.

First, the endeavor to "develop the province through science and technology" is an inevitable historical choice, an objective demand on economic and social development, and the intensification and specification of our strategies in the new historical conditions when the party's work focus was shifted to economic construction. Our economic development strategies have been gradually intensified since the third plenary session of the 11th Central Committee and, in summary, have experienced three important shifts. 1) The party's work focus was shifted to economic construction. 2) The development of productive forces was put forward as the only criterion to measure all our work. 3) Under the new historical conditions, the Central Committee defined "science and technology as the primary productive

forces," which represented a further intensification of the shift of our strategies. The formulation of "science and technology as the primary productive forces" was a general strategy which, in a certain sense, commands other strategies. Two years ago, we made the strategic policy decision of "developing the province through science and technology" and drew up measures for implementing the decision. Two years' of practice have proven that this decision is correct, opportune, and compatible with the general strategic thought that "science and technology are primary productive forces." It is a strategy guiding economic and social development on a long term basis that "science and technology are the primary productive forces." It is both an economic criterion and a political criterion. Whether we implement it and whether we implement it by regarding science and technology as the primary productive forces are a matter of our maintaining unity with the Central Committee. Some people regarded implementation of the program of "developing the province through science and technology" merely as a makeshift measure. Such an understanding was superficial. This program is not an emergency choice to overcome difficulties, still less an expedient measure to meet a pressing need. Instead, it is a basic strategic task dominating the entire course of history. Where this historical demand is met, there is continuous economic development and progress. The earlier we understand this and the earlier we take action, the earlier we will benefit.

Second, we should have confidence, willpower, and perseverance to persist in the endeavor of "developing the province through science and technology." We should not strive for quick success and instant benefit. As long as we have perseverance, we will achieve great results. However, science and technology are not inaccessible. They may even turn out instant results sometimes. For example, the Harbin No. 2 Medicinal Herb Plant produced *coptis chinensis* powder for injection to radically change its outlook in merely two years; the Jiamusi Combine Harvester Plant took merely four years to import, develop, and sell its products; and Suihua changed its outlook in five years. Some people say that development through science and technology is a task for tomorrow, education is one for the day after tomorrow, and only production is the task for today. In my opinion, science, technology, and education should all be developed today. Without today, can there be tomorrow, or the day after tomorrow?

Third, science and technology represent a systematic concept with a broad sense. To implement the program of "developing the province through science and technology," we should persistently and comprehensively promote scientific policy decisions, scientific management, scientific and technological advances, and education on science and technology. Among the numerous essential elements of economic development, science and technology should be firmly put in the first place and used to lead and coordinate other elements of economic development. In planning economic and social development, the priority of investment and project arrangements should be shifted to reliance on

scientific and technological advances so that Heilongjiang's economic development will be brought to the track of expanding production by upgrading technology and improving management. In the methods and system for leadership, we should quicken our pace in making our policy decisions more scientific, democratic, and systematic; establish a leadership system to ensure the coordination of economic development with scientific and technological development; and enable government departments to operate in a coordinated manner for a common goal. In the basic condition that the economy and science and technology are developed, we should focus on educational development, make great efforts to train technical personnel of various specialties at various levels, and give full play to their role.

Judging from the current situation, the concept of large-scale science and technology and the demands set forth in line with the meaning of large-scale science and technology are correct and have been gradually accepted by the people. Notable changes in personnel and financial work proved that such an understanding is correct. Those who carried out practical work in line with the idea of large-scale science and technology have all achieved fairly notable results. Judging from the endeavor to develop agriculture through science and technology, not only has advanced technology been applied, but also overall planning has been made for agricultural, scientific and technological, and educational development; and not only has farming been developed, but also industrial and agricultural production has been integrated with foreign trade. The Mudanjiang Clock and Watch Company achieved very rapid development thanks to scientific policy decisions, scientific management, and technical training. The Harbin No. 2 Medicinal Herb Plant gained many benefits from scientific policy decisions. The Qiqihar Steel Plant achieved remarkable efficiency thanks to its new form of contract for coordinated technical transformation. As has been proven in practice, scientific policy decisions, scientific management, scientific and technological advances, and education on science and technology, which are closely related and inseparable, constitute a complete system. In the process to promote scientific and technological advances, we should consider these four aspects as a whole. Only in this way can we gradually deepen the endeavor of "developing the province through science and technology."

Fourth, the program of "developing the province through science and technology" is a large-scale systems engineering project. To thoroughly implement this program, we should have a scientific attitude and scientific methods. Implementation of the program itself requires science. Not only should we firmly embrace the idea that "science and technology are the primary productive forces," but also we should take practical steps; and not only should we have realistic plans, but also we should have feasible measures and correct methods.

Judging from the overall situation, the endeavor of "developing the province through science and technology" is still in the initial stage. All localities and departments have drawn up plans, defined targets and measures, and selected the aspects where breakthroughs will be made. Some departments have selected the aspects very well but many units still lack clear targets for the combination of quality and quantity and clear aspects where breakthroughs will be made. In short, they still lack scientific methods for advance. This is exactly the major problem we should solve in the next step of work.

The provincial party committee will hold a discussion before the end of this year on the principles for next year's work. What I am talking about are only some ideas for you to study.

The general demand on next year's work of "developing the province through science and technology" should be to adhere to the concept that "science and technology are the primary productive forces" and implement the principle of "developing the province through science and technology" vigorously and thoroughly. The specific demand is still to act according to the medium-term plans decided in the "program of developing the province through science and technology." This is to establish a mechanism to promote the program and concentrate efforts on facilitating economic restructuring. To be specific, we should firmly make the program of "developing the province through science and technology" lead our entire work, truly shift our work focus to reliance on scientific and technological advances and improvement of the quality of laborers, and, focusing on improving large and medium-sized state enterprises, deepen reform and opening up, restructure the economy, raise economic efficiency, and promote a healthy economic development in the entire province.

The following are our work focuses:

First, in coordination with the current provincewide discussion on "science and technology being the primary productive forces," we should greatly intensify propaganda and education on science and technology and organize the masses to plunge into the program of "developing the province through science and technology."

People do not accept the concept that "science and technology are the primary productive forces" spontaneously. The concept should be instilled into their minds. Therefore, we should give wide publicity to it. In my opinion, the best way of doing this is to let achievements and typical examples speak. Peasants did not recognize science until they saw the actual results in the development of agriculture through science and technology over the past two years. Therefore, our propaganda should not be confined to the exposition of the theory that "science and technology are the primary productive forces" based on the classical works of Marxism. We should conduct propaganda based mainly on the great amount of social practice.

Second, we should further promote the endeavor of developing agriculture through science and technology.

In summary, this work means to use large-scale science and technology to develop large-scale agriculture. It means to rely on science and technology to develop the county economy and to let the endeavor of developing agriculture through science and technology be manifest in and coordinate with the endeavor of integrating grain and animal husband production with township enterprise development; integrating industrial and agricultural development with foreign trade; and integrating scientific, technological, and educational development with agricultural development so that the rural economy can be promoted in all sectors.

After reaping a bumper harvest, we indeed should think deeply about how to intensify the next step of the endeavor of developing agriculture through science and technology. The purpose of this endeavor is to develop the rural economy in all sectors, which cannot be achieved merely by increasing grain output. In the past, we had a lopsided understanding and regarded the increase in grain output as the only goal, thinking that our task would be accomplished when we had raised grain output to 15 billion kg, to 20 billion kg, and to 25 billion kg by the end of this century. There is no economic stability without grain development. As Heilongjiang's grain supply cannot be arranged without 15 billion kg of grain, it is correct for us to attach importance to grain production. However, we should not neglect the development of the rural economy in all sectors. In the next step of the endeavor of developing agriculture through science and technology, we should shift our pursuit of output alone to the pursuit of both value and efficiency. The quantity, quality, and efficiency of the rural economy are issues worth studying. We should apply not only the achievements in natural sciences but also those in social sciences and economics to agricultural development. Only in this way can we achieve comprehensive results in applying science and technology in agricultural development.

Third, the focus of the program of developing the province through science and technology lies on comprehensive application of science and technology to industrial production.

With many branches, industry currently faces many difficulties and a complicated situation. It is difficult to comprehensively promote the application of science and technology to industrial production. As rural production has notable similarities and involves merely four major crops, the study of it is easier to understand and its demands are also easier to specify. As industry involves the production of meters and instruments, electronic products, machines, measuring and cutting tools, bearings, computers, building materials, and so on, it is very difficult to specify the demands on application of science and technology to industrial production when we draw up the overall plans. However, there should be clear goals for a specific trade or enterprise. In my opinion, we should carry out the endeavor of developing industry through science and technology in line with the specific conditions of different trades and different enterprises instead of merely studying it by taking the entire province into consideration. The major task of a

trade or enterprise is to have clear projects and products. It should first define its products and then projects. Of course, it should study the market before defining the products and never divorce itself from the market to study its products. As far as enterprises are concerned, they should conduct study in the order of the market, products, and projects. They should clearly define their own market, products, and technical transformation and capital construction projects.

In applying science and technology to industrial production, I agree on the development of easier projects first and production of whatever is needed in the market. As far as a trade or an enterprise is concerned, it should proceed from its reality to study ways to update its products and carry out technical transformation in line with the market demand. When every level throughout the province has its own research projects, the endeavor of developing industrial production through science and technology with specified steps and goals will be carried out at all levels provincewide. All enterprises and trades should formulate mandatory stipulations in line with the general demand on application of science and technology to industrial production. Planning commissions, economic commissions, prefectures and cities, and all departments should consider formulation of mandatory stipulations to ensure the implementation of the principle of "developing the province through science and technology." They should not act in their own way. In implementing the program of "developing the province through science and technology," we should also strengthen ideological and political work. All levels should clearly explain the overall situation and long-term interests to cadres and ordinary people before implementing the program. Only in this way can they truly boost the enthusiasm of cadres and ordinary people.

Fourth, we should establish more quickly a mechanism for promoting the program of "developing the province through science and technology."

It takes time to establish the mechanism. Judging from the current situation, we should focus on establishing the system to evaluate the targets of the program of "developing the province through science and technology" and the policies to promote the program next year. For example, we should further clarify the economic, fund, material supply, credit, and personnel policies and stipulations to ensure the program. The personnel department has exerted a good influence on the entire country with its methods to serve the endeavor of developing agriculture through science and technology. It is hoped that the department will achieve a breakthrough in developing industrial production through science and technology. The Financial Department, banks, and the science and technology commission have held a trade fair of scientific and technological achievements. It is also hoped that they will further consider the next steps in their work.

Fifth, all levels should further specify their medium-term plans. The "program for developing the province through science and technology" was drawn up in 1989 and the current situation is greatly different from that

time. Therefore, all levels should specify their plans, revising, supplementing, and improving them. The Building Material Bureau recently suggested that high and new technology be used to technically transform large and medium-sized enterprises and advanced applicable technology be used to technically transform small enterprises. I like this suggestion very much. Suihua Prefecture suggested implementation of four plans (plans for developing new products, for applying new technological achievements, for technical transformation, and for creating enterprises where science is applied), which is also worthy to be learned from. All localities should clarify and specify their medium-term plans before the end of this year. It will not work without plans.

Sixth, we should lose no time in developing new technology and industrializing it.

We should attach importance to both the technical transformation of traditional industries and the establishment and development of high and new-tech industries, with the focus on the construction of the Harbin High-Tech Development Zone. People throughout the province should pool their efforts to develop the zone successfully. At present, all localities are interested in developing high technology and want to establish their own high-tech development zones. This is a very good idea but large-scale development is currently unrealistic. Therefore, we should pool our efforts to develop the Harbin High-Tech Development Zone successfully. This zone has been built rapidly, which is a good thing, but it still has few presentable projects, which is a problem. It should focus on the projects that have advantages and clarify the targets it will attain.

I hope that great achievements will be made continuously next year in developing agriculture through science and technology, substantial steps made in developing industrial production through science and technology, and new progress achieved in all trades and professions.

Heilongjiang Reports Anti-Theft Campaign Results

SK1612102491 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 13 Dec 91

[Excerpt] On 13 December, the Political and Legal Committee under the provincial party committee held a news briefing on the provincial anti-theft campaign. Wang Shiming, director of the provincial Public Security Department, reported on the current situation in the anti-theft campaign. He said: During the 18 days from 23 November to 10 December, when the notice on the anti-theft campaign was issued and in effect, more than 450 criminals in the province surrendered to the police, and a total of 11,890 clues for criminal cases were exposed and reported by the vast number of the masses. Meanwhile, public security organs, procuratorial organs, people's courts, and judicial organs in various localities vigorously read the notice, and explained the party's policies to prisoners, thus making the prisoners in the province expose more than 4,200 clues for criminal cases of various kinds. According to the clues exposed by the

masses and the prisoners, political and legal organs in various localities struck rapidly, and conducted investigations in hot pursuit of criminals. As a result, 2,260 cases were solved, and 997 criminals seized. During this

period, the province as a whole captured 15 automobiles, 76 motorcycles, 1,100 bicycles, 100 television sets, 845,000 yuan in cash, and some other illicit money and property, worth 5.18 million yuan. [passage omitted]

Election Committee Officials Submit Resignations

*OW1412090391 Taipei CNA in English 0758 GMT
14 Dec 91*

[Text] Taipei, Dec. 14 (CNA)—The Taiwan Provincial Election Committee is scheduled to meet Saturday to consider the resignations tendered by six opposition and independent magistrates and mayor as chairperson of their respective county and city election committees.

The six offered to resign Thursday in protest against a Provincial Election Committee order prohibiting the printing of secessionist campaign planks on election bulletins for the Dec. 21 National Assembly elections.

A spokesman said the Provincial Election Committee will try to persuade the six chairpersons to stay. If they persist in their demand to resign, the committee will consider appointing new chairpersons at the meeting to be presided over by Taiwan Governor Lien Chan, who is concurrently chairman of the Provincial Election Committee.

The six resigning chairpersons are the magistrates of Kaohsiung, Taipei, Pingtung, Ilan, and Changhua Counties as well as the mayor of Chiayi city. They have permitted the printing of secessionist campaign planks in the election bulletins for their election districts.

The printing of new election bulletins for these districts will also be discussed in the meeting.

DPP Supports Resignations

*OW1412090291 Taipei CNA in English 0754 GMT
14 Dec 91*

[Text] Taipei Dec. 14 (CNA)—The opposition Democratic Progressive Party (DPP) Sunday [as received] issued a statement giving approval to the decision of six opposition and independent mayors and magistrates to resign from the chairmanships of their respective city or county election committees.

They offered to resign Thursday in protest against the Central and Provincial Election Committee's order to ban the printing of pro-independence planks in bulletins for the year-end National Assembly elections. The six are Yu Chen Yueh-ying of Kaohsiung County, Yu Ching of Taipei County, Su Chen-chang of Pingtung County, You Hsi-kun of Ilan County, Chou Ching-yu of Changhua County, and Chang Wen-ying of Chiayi city.

The DPP said in the statement that advocating Taiwan independence is an active way to maintain the status quo of the island and that the election committees should be neutral and fair to all candidates. The committees have no right to prohibit the printing of any campaign planks in the election bulletins, it added.

The election and recall law prohibits candidates from promoting secessionism or calling for the division of the national territory.

The DPP said that the "unification policy" and the national unification guidelines of the ruling Kuomintang will betray the fruits of Taiwan's economic development and reconstruction to Communist China.

The major opposition party said that advocating the establishment of a sovereign and independent "Republic of Taiwan" by referendum is a positive way of preventing outsiders from taking the fruits of hard work by the island's 20 million inhabitants.

Mainland Dissident Fang Lizhi Schedules Visit

*OW1612082191 Taipei CNA in English 0740 GMT
16 Dec 91*

[Text] Taipei, Dec. 16 (CNA)—Fang Lizhi, a well-known Mainland Chinese pro-democracy advocate, and his wife Li Shuxian will arrive in Taiwan Dec. 22. The Fangs' nine-day visit will be sponsored by a private foundation and a monthly magazine.

Fang, a world-famous astrophysicist, is now teaching at Princeton University in the United States. The former university vice president in Mainland China fled to the U.S. Embassy in Peking in the aftermath of the June 3-4 Tiananmen Square massacre of 1989. He hid there until June 25, 1990, when he was allowed to go to England; he proceeded on to the U.S. early this year.

In 1987, the two Taiwan groups invited the Fangs to visit Taiwan. Peking refused their applications for making the visit.

During their upcoming visit, the couple will see for themselves the cultural and economic development of the Republic of China on Taiwan. Fang and Li, herself a Peking University professor until the 1989 tragedy, will also exchange views with local academics.

Fang will give two speeches Dec. 25 and 27, to be sponsored by GLOBAL VIEW magazine and SCIENCE MONTHLY. The Fangs will call on Education Minister Mao Kao-wen, Academician President Wu Ta-you, and National Taiwan University (NTU) President Sun Chen.

The Fangs are also to visit NTU, Central University, National Palace Museum, and the Tsuchi Buddhist Hospital in Hualien.

Further on Fang Visit

*OW1512100891 Tokyo KYODO in English 0950 GMT
15 Dec 91*

[Text] Hong Kong, Dec. 15 KYODO—Exiled Chinese dissident astrophysicist Fang Lizhi will visit Taiwan this week at the invitation of a local magazine, according to reports here Sunday.

Fang, accompanied by his wife, will arrive December 22 for a nine-day visit, his first to Taiwan.

While in Taiwan, Fang will meet Education Minister Mao Kaowen and give lectures.

Fang took refuge at the U.S. Embassy in Beijing last year following the 1989 crackdown on prodemocracy demonstrations in Beijing's Tiananmen square. He was later allowed to leave China for medical treatment.

He currently teaches at Princeton University in the U.S.

Economic Official Comments on Trade Surplus

*OW1312084991 Taipei CNA in English 0808 GMT
13 Dec 91*

[Text] Taipei, Dec. 13 (CNA)—A decline in the trade surplus is not necessarily a "bad thing" for cash-rich Taiwan, Vice Economic Affairs Minister P.K. Chiang said Thursday.

Chiang's statement came amid reports that Mainland China's foreign trade surplus will outpace Taiwan's this year.

The Council for Economic Planning and Development (CEPD) reported Wednesday that Mainland China, which suffered persistent trade deficits until 1989, will replace Germany as the world's second largest surplus country, after Japan, this year.

The cabinet-level council predicted that Taiwan will still rank third among countries that enjoy huge trade surplus in 1991. The top three surplus countries in 1990 were Japan, the former West Germany and Taiwan in that order.

Commenting on the reports, Chiang said, "we need not overreact to Taiwan's lagging behind Mainland China in the surplus ranking."

Chiang pointed out that an excess trade surplus is not necessarily a boon to a national economy. "In fact," he noted, "some imbalances and problems in our domestic economy in recent years have resulted from our overly large trade surpluses."

Quoting academic studies, Chiang explained that the most appropriate ratio of foreign trade surplus to a country's gross national product (GNP) is four percent. According to this standard, a reasonable trade surplus for Taiwan in 1991 would be about U.S.\$7.2 billion since the country's GNP is estimated at U.S.\$180 billion.

Official tallies show that Taiwan had a trade surplus of U.S.\$12.36 billion between Jan. 1 and Dec. 7 this year. "Our surplus still far exceeds normal levels," Chiang observed.

To reduce friction with the United States, Chiang said, Taipei has, since the mid-1980s, been enforcing a market diversification program to redress its huge trade surplus with America. As a result, Taiwan's surplus with the US has declined by more than 10 percent over the past three years.

Mainland China now faces increasing pressures from US authorities because mainland-American trade has grown increasingly unbalanced, Chiang said. US tallies show that mainland's surplus with America will reach U.S.\$12 billion by year's end.

Although the world economy has not fully recovered from a year-long recession, a CEPD official said, Taiwan's foreign trade has continued to grow this year. Taiwan exports hit U.S.\$71.33 billion between Jan. 1 and Dec. 7 and imports totaled U.S.\$58.97 billion.

Foreign Investment in Domestic Economy Declines

*OW1412094591 Taipei CNA in English 0805 GMT
14 Dec 91*

[Text] Taipei, Dec. 14 (CNA)—Approved foreign and Overseas Chinese investments in Taiwan totaled 1.652 billion U.S. dollars in the first 11 months of this year, a drop of 18.33 percent from the same period of 1989, the Investment Commission [IC] reported Sunday [as received].

Despite the drop in the overall total, investments in electronics and electrical appliances, and machinery and instrument manufacturing increased 70 and [figure indistinct] percent respectively during the Jan.-Nov. period, an IC official said.

Japanese investors still led in joint venture investments with 72 approved cases, followed with 5 American cases, the official said.

During the 11-month period 325 outbound investment applications were worth a total of 1.517 billion U.S. dollars, the IC official said.

Of the total, 115 investments worth 210 million U.S. dollars were in the United States, and 33 investments worth 430 million U.S. dollars were set for Malaysia.

Meanwhile, the commission approved 195 local investments worth an aggregate 146 million U.S. dollars for Chinese mainland during the first 11 months of this year, the official said.

Tibetan Association Founded 15 Dec

*OW1612085191 Taipei CNA in English 0744 GMT
16 Dec 91*

[Text] Taipei, Dec. 16 (CNA)—The Tibetan Association of the Republic of China was formally founded Sunday with legislator Chueh An-tse as its head.

Chung Jung-chi, director of the Kuomintang's Department of Social Affairs, said during the inauguration ceremony that the establishment of the association has great significance at a time when a handful of people here are advocating the division of national territory.

Legislator Chueh said the association will keep in touch with overseas Tibetan organizations and try to take care of Tibetans living in Taiwan.

'Round-the-Island' Rail System Completed

OW1612083391 Taipei CNA in English 0757 GMT
16 Dec 91

[Text] Taipei, Dec. 16 (CNA)—After 11 years of construction, the Southend Railway which runs between Fangliao, Pingtung in the south to Peinan, Taitung in the east, was inaugurated Monday to complete the round-the-island rail system.

A ribbon-cutting ceremony was held at the Fangliao Station at 8:40 A.M., with Premier Hao Po-tsun presiding. Hao, accompanied by more than 1,000 government officials, civic leaders, journalists and other guests, then took a special train bound for Peinan some 98.25 kilometers away.

The special train arrived at noon at the Peinan Station to cheering crowds. A grand ceremony marking the inauguration of the technically-difficult railway followed. Taitung citizens staged colorful celebrations to mark the event.

Due to some technical problems, the railway will not be opened for commercial operations until March or April, the Ministry of Transportation and Communications announced over the weekend.

Construction on the railway started in July 1980 and cost the national coffers more than NT \$22.4 billion [new Taiwan dollars]. The railway, the last part of a round-the-island rail system, includes 35 tunnels and 188 bridges.

To show his interest in the project and to boost the morale of construction workers, President Li Teng-hui inspected the construction site many times. Last weekend, he took a special ride over the Southend Railway from Taitung to Kaohsiung as part of his islandwide train tour. Li returned to Taipei Sunday afternoon.

Banks To Settle Payments for Mainland Exports

OW1612083191 Taipei CNA in English 0807 GMT
16 Dec 91

[Text] Taipei, Dec. 16 (CNA)—Starting Monday, Taiwan banks are formally permitted to settle payments for products Taiwan companies have exported from their factories on the Chinese mainland.

The move will enable the Central Bank of China (CBC) to better follow capital movements between the two sides of the Taiwan Strait, a senior CBC official said.

In line with the government's indirect cross-strait trade policy, Taiwan businesses were previously required to settle payments through banks in a third country or area for goods they had exported from the mainland.

Such a practice was not only time-consuming but also prevented the Central Bank from fully understanding cross-strait capital movements, the official said.

As cross-strait commercial exchanges are growing rapidly, with two-way trade expected to hit U.S.\$5 billion

this year, the official said, the Central Bank decided to allow local banks to settle payments for goods exported from the mainland so cross-strait capital movements would be more "transparent".

Official tallies show that some 2,500 Taiwan business concerns have formally registered their mainland ventures with the government. Since the new measure will save local companies many inconveniences in getting payments for mainland-originated exports, the official predicted, Taiwan manufacturers should be more willing to keep their business roots at home from now on.

It was estimated that the amount of payments local banks will settle for mainland-originated exports will be well over U.S.\$3 billion annually, the official said.

The Central Bank will separately compile such foreign exchange deals and will regularly announce its tallies beginning in January 1992, the official reported.

As Communist China has required Taiwan-invested companies since early this year to settle payments on the mainland for goods they have exported from there, some financial experts worry that the effect of the CBC's new measure might be limited and the "black hole" in cross-strait trade information will still exist.

Power Company Not To Purchase Mainland Coal

OW1412094291 Taipei CNA in English 0808 GMT
14 Dec 91

[Text] Taipei, Dec. 14 (CNA)—Taiwan Power Company [Taipower] will not purchase coal from Mainland China because the Mainland Affairs Council has not given its approval, a ranking Taipower official said Sunday.

Taipower Chairman Chang Chung-chien said that Taipower's new coal-purchasing measures will be implemented next month, but coal from the mainland is still not permitted to enter Taiwan. The current coal buying regulations only permit actual coal producers to participate in open bidding to sell coal to Taipower, but the new measures will allow any qualified businessman to join the bidding, Chang stressed.

Coal consumption in Taiwan will increase greatly because of restrictions on the development of nuclear power and oil-fired generating plants on the island. Many local businessmen have contacted Taipower in the hope of getting Taipower to purchase mainland coal, Chang added.

Latvian Foreign Minister, Party Visit Taipei

Visit Previewed

OW1412213491 Taipei CNA in English 1530 GMT
14 Dec 91

[Text] Taipei, Dec. 14 (CNA)—Latvian Foreign Minister Janis Jurkans will arrive in Taipei Sunday for a five-day visit, the first by a ranking official of the Baltic

country to the Republic of China, the Ministry of Foreign Affairs (MOFA) announced Saturday.

Latvian Prime Minister Ivars Godmanis had planned to visit the Republic of China himself, but was forced to postpone the trip because of the fast changing situation in the Soviet Union, a MOFA spokesman said.

Minister Jurkans will be accompanied by Mrs. Valentina Zeile, chairwoman of the Budget Committee of the Latvian Parliament, and Karlis Streips, the Foreign Ministry's chief of cabinet, during the visit, he said.

While in Taipei, they will meet with Premier Hao Po-tsun, Foreign Minister Chien Fu [Frederick Chien], Economic Affairs Minister Hsiao Wan Chang [Vincent Siew], Central Bank of China Governor Samuel Shieh and other ranking officials.

The Latvian visitors will also visit various economic and cultural institutions in the Republic of China before departing on Dec. 18 and 19 separately.

Minister Arrives in Taipei

OW1612075691 Taipei CNA in English 0735 GMT
16 Dec 91

[Text] Taipei, Dec. 16 (CNA)—Latvian Foreign Minister Janis Jurkans said the "Taiwan experience" is a good example for Latvia to follow.

Jurkans arrived in Taipei Sunday for a five-day visit, the first by a ranking official of the Baltic country to the Republic of China [ROC], the Ministry of Foreign Affairs (MOFA) announced.

The Latvian official said he is here to talk with MOFA officials on the names and other details concerning the establishment of official offices in Riga and Taipei.

Vice Foreign Minister John Chang, during a visit to Riga in early November, signed an agreement with the Latvian Government to establish a Republic of China trade representative office in Riga.

"Frankly speaking, we need your economic aid and we are happy that your government is willing to help us." The Latvian official said, adding that Latvia wants to learn from Taiwan how to develop its own market-oriented economy.

Jurkans was accompanied by Mrs. Valentina Zeile, chairwoman of the Budget Committee of the Latvian Parliament, and Karlis Streips, a Foreign Ministry official.

While in Taipei, the Latvian officials will call on Premier Hao Po-tsun, Foreign Minister Chien Fu [Frederick Chien], Economic Affairs Minister Hsiao Wan-chang [Vincent Siew], Central Bank of China Governor Samuel Shieh and other ranking officials.

He will also visit various economic and cultural institutions in the Republic of China before their departure on Dec. 15.

Soviet Steel, Mining Delegation Visits Taipei

OW1312084491 Taipei CNA in English 0743 GMT
13 Dec 91

[Text] Taipei, Dec. 13 (CNA)—A Soviet delegation, led by steel and mining industry official A. Nikolayevich Ivoditov, arrived in Taipei Thursday to promote cooperation between the two countries.

Members of the Soviet delegation are scheduled to meet with officials of the Economic Affairs Ministry, Chinese Steel Corporation, and other steel companies Friday. They will call at the Ministry of Transportation and Communications Saturday.

During the visits, the Soviets will express their interest in Taiwan's six-year National Development Plan, familiarize themselves with Taiwan's steel industry, and exchange views on how to promote cooperation in steel production.

An official of the Economics Ministry said Taiwan is interested in buying the Soviet Union's semi-finished steel products.

Meets Vice Minister

OW1612084891 Taipei CNA in English 0747 GMT
16 Dec 91

[Text] Taipei, Dec. 16 (CNA)—Soviet Vice Minister of Metallurgy Albert Nikolayevich Ivoditov called on Ma Cheng-fang, vice transportation and communications minister, over the weekend and expressed a keen interest in the Republic of China's [ROC] 1991-96 National Development Plan.

Nikolayevich, who arrived here last Thursday, said he will seek trade cooperation opportunities with local manufacturers participating in the ROC's ambitious plan.

During his stay here, the Soviet official will call at the Ministry of Foreign Affairs and the Ministry of Economic Affairs and will visit steel mills in the Republic of China.

Customs Clearance Pact With EC Approved

OW1312090091 Taipei CNA in English 0753 GMT
13 Dec 91

[Text] Taipei, Dec. 13 (CNA)—A temporary customs clearance agreement signed between the Republic of China [ROC] and the European Community will go into effect early next year, marking a significant breakthrough in Taiwan's foreign relations, the Ministry of Foreign Affairs announced Thursday.

Taipei and the 12-nation trade group have agreed to formalize the accord with an exchange of notes and to put it into force from Feb. 1, 1992, the ministry reported.

It will be the fourth of its kind Taipei has ever signed, following similar accords with Singapore, South Korea and South Africa.

A temporary customs clearance system is designed to promote international commercial and technological exchanges. It cuts complex customs procedures for traders and technical professionals while bringing goods into a country for exhibition purposes. Traders and technicians, however, must first obtain permits from authorized organizations and the goods must be taken out of the country before a deadline.

Under the Sino-EC agreement, the China External Trade Development Council and the European Chamber of Commerce will be authorized to issue certificates exempting EC-bound and Taiwan-bound goods from customs clearance procedures.

Articles that can be exempted from customs clearance procedures include products to be displayed in trade fairs and special equipment and facilities to be used in international conferences.

The signing of a temporary customs clearance agreement marks a solid step forward in Sino-EC relations, diplomatic sources said. The arrangement will facilitate trade promotional efforts by both sides, the sources observed.

A ranking Foreign Ministry official said that the government will use the multibillion-dollar six-year national development plan to forge even closer ties with EC.

The 12-nation trade bloc, which has decided to adopt a single currency by 1999 and is moving towards closer economic and political unity, is expected to become a leading power in the world arena, the official noted.

"We can therefore not afford to lag behind in developing substantive relations with the important regional organization," the official concluded.

The ROC will hold regular trade consultations with EC, increase investments in and purchases from its member states, strengthen technological cooperation and invite more European contractors to bid on major public construction projects here, the official explained.

Cabinet Urged To Open Direct Trade With Cuba

OW1612085291 Taipei CNA in English 0742 GMT
16 Dec 91

[Text] Taipei, Dec. 16 (CNA)—The Ministry of Economic Affairs (MOEA) said Sunday that the cabinet should consider opening direct trade with Cuba.

Taiwan has direct trade with all countries except for Mainland China and Cuba, MOEA said, and it will suggest the cabinet change policy after its comprehensive evaluation of world trade with Cuba is completed.

The United States has long imposed economic sanctions against Cuba but bilateral trade between Japan and Cuba reached 160 million U.S. dollars in 1990.

Chien Departs Taipei for Latin American Summit

OW1012083691 Taipei CNA in English 0752 GMT
10 Dec 91

[Text] Taipei, Dec. 10 (CNA)—Foreign Affairs Minister Chien Fu [Frederick Chien] left for Central America Tuesday to attend a Latin American summit to be held in Tegucigalpa, Honduras, on Dec. 12-13.

Chien's delegation includes officials of the Ministry of Economic Affairs and the Central Bank of China.

The presidents of Honduras, El Salvador, Guatemala, Nicaragua, Costa Rica, Belize and Panama will attend the meeting.

The ROC [Republic of China] officials will exchange views with the participants on the ROC's development experience and discuss possibilities for cooperation.

Stops in San Francisco

OW1112233991 Taipei CNA in English 1437 GMT
11 Dec 91

[Text] San Francisco, Dec. 10 (CNA)—Republic of China [ROC] Foreign Minister Chien Fu [Frederick Chien] made a short stop in San Francisco Tuesday on way to Tegucigalpa, the capital of Honduras, to attend the Central American Summit scheduled for Dec. 12-13.

During his five-hour stay here, Chien met with George Shultz, former U.S. secretary of state and now a distinguished fellow at the Hoover Institution at Stanford University.

Minister Chien and the ROC delegation to the summit left San Francisco for Tegucigalpa via Miami in the afternoon.

Siew To Seek GATT Support in Latin America

OW1212090691 Taipei CNA in English 0759 GMT
12 Dec 91

[Text] Taipei, Dec. 12 (CNA)—Economic Affairs Minister Vincent Siew is scheduled to visit Latin America next February to seek support for the Republic of China's bid to join the General Agreement on Tariffs and Trade (GATT), a ranking official reported Wednesday.

Siew's planned visit will be part of the country's all-out efforts to win a seat in the Geneva-based world trade promotion body, Vice Economic Affairs Minister P.K. Ching explained. Foreign minister Fredrick Chien is currently visiting the region for similar reasons.

Advanced Western countries, such as the United States and major European community member states, have reached a broad consensus on Taiwan's GATT membership, Chiang said. "We will now concentrate our efforts on courting support from Third World countries."

As part of the drive, Chiang said, the Ministry of Economic Affairs has published a memorandum on Taiwan's economic and trade system in English, French and Spanish—the three languages most popular in Third World countries.

The government is also moving to further liberalize the local economy and amend trade regulations in order to meet GATT requirements, Chiang noted.

Taipei applied to join GATT under the name of "Taiwan, Penghu, Kinmen and Matsu Customs Territory" on Jan. 1, 1990.

Barring unexpected political complications, Chiang predicted that GATT might form a working group early next year to formally screen Taiwan's application. Once the working group has been established, he said, the process is expected to move quickly.

Richard I. Johnston, Jr., U.S. deputy assistant secretary for international economic policy, told a news conference here Wednesday evening that a GATT council meeting held in Geneva earlier this month had, for the first time, discussed Taiwan's application.

Although no decision was made during the meeting, Johnston said, GATT is very likely to include the issue on the agenda for its next council meeting scheduled for February 1992.

Johnston told local journalists that the United States has committed itself to helping Taiwan into GATT and will further discuss the matter with other contracting parties in order to develop a consensus on the issue.

Johnston suggested that Taiwan speed economic liberalization and internationalization, make its government procurement more "transparent" and provide better protection for intellectual property rights in order to facilitate Taiwan's entry into GATT.

Earlier in the day, Johnston delivered a speech on U.S.-Taiwan trade relations at the American Chamber of Commerce in Taipei.

Government To Comply With GATT on Procurement

*OW1312084591 Taipei CNA in English 0746 GMT
13 Dec 91*

[Text] Taipei, Dec. 13 (CNA)—The government procurement system of the Republic of China will be revised in order to comply with the regulations of the General Agreement on Tariffs and Trade (GATT), an economic affairs official said Thursday.

Vice Minister of Economic Affairs P.K. Chiang said the laws and regulations governing government procurement will be revised to make procurement procedures more transparent and to allow foreign suppliers to compete with domestic companies on an equal basis.

The Board of Foreign Trade is studying how to revise the procurement system, he added.

The government promised to make the revision in a memorandum to the GATT when it applied to join the world trade organization, he added.

Cut in Customs Duties Approved

*OW1412094091 Taipei CNA in English 0816 GMT
14 Dec 91*

[Text] Taipei, Dec. 14 (CNA)—After a nearly two-year delay, the Legislative Yuan finally approved a Tariff Revision Bill Friday, slashing customs duties on 1,965 items by an average of 7.95 percent.

The new tariff rates will take effect two days after the Presidential Office promulgates the bill, the Ministry of Finance announced Friday.

The most attention-getting adjustment will be the reductions in tariffs on compact sedans with engines below 3,000 c.c. [cubic centimeters] from the current 42.5 percent to 30 percent.

Tariffs on heavy-duty trucks, buses and cars with engines above 3,000 c.c. will also be lowered by a minimal 0.5 percentage point to 42 percent.

Other items subject to the coming tariff cuts include major industrial raw materials, pollution control equipment, specialty chemicals, pharmaceuticals and some consumer goods that Taiwan does not produce.

The tariff adjustments, which will cost the national coffers an estimated 8 billion NT [new Taiwan] dollars annually in tax revenues, will not only help local manufacturers cut production costs but will also benefit general consumers, finance officials said.

Vice Economic Affairs Minister P.K. Chiang hoped importers and retailers will lower prices to reflect the reduced costs resulting from the tariff cuts. The Commodity Prices Supervisory Board will closely monitor price changes in the local market after the new tariff rates take effect, he added.

Car dealers said prices for imported compact cars are expected to drop by 7 to 7.5 percent following tariff adjustments.

The Ministry of Finance was originally scheduled to adjust tariffs in February this year, but was forced to delay its plan because the legislature failed to approve the bill in time.

One major obstacle hampering the early passage of the bill was the legislature's failure to reach a consensus on tariff adjustments for compact cars. While some lawmakers wanted large tariff reductions in line with the economic liberalization policy, others, particularly those representing business groups, insisted on higher tariff rates to help local carmakers.

While approving the Tariff Revision Bill, the legislature demanded that the cabinet formulate a new plan before

the end of May, 1992 to promote the domestic automobile industry and, at the same time, to accelerate the liberalization of the local auto market.

Cuts in Farm Tariffs Studied

OW1612083291 Taipei CNA in English 0752 GMT
16 Dec 91

[Text] Taipei, Dec. 16 (CNA)—In preparation for Taiwan's entry into the General Agreement on Tariffs and Trade (GATT), the Industrial Development Bureau is studying the feasibility of further lowering tariffs on processed agricultural products, a ranking official reported over the weekend.

The bureau will call a meeting of trade, finance and agricultural officials later this week to discuss the possible tariff cuts, particularly for farm goods whose import duties are currently higher than 30 percent, the official said.

According to a Finance Ministry-formulated tariff reduction plan, the nation's average real tariff rate will be trimmed to 3.5 percent by 1994 from the current 4.9 percent, the official explained.

The Legislative Yuan passed a tariff revision bill last week, which will slash customs duties on some 2,000 items by an average of 7.95 percent beginning next year. The wide-ranging tariff cuts are expected to trim the country's real tariff rate to an average of 4 percent in 1992, the official noted.

The coming tariff adjustment includes some agricultural products. Tariff rates on chocolates and powdered milk, for instance, will be lowered to between 15 and 20 percent.

The official pointed out that tariff rates on farm produce and processed agricultural goods usually reflect the extent of a country's economic liberalization and internationalization. As the Republic of China [ROC] is actively seeking to join GATT, the official said, the country must open its markets wider to foreign goods by cutting tariff and non-tariff trade barriers to meet GATT requirements.

The ROC applied for a seat in the Geneva-based international trade promotion organization under the name of "Taiwan, Penghu, Kinmen and Matsu Customs Territory" on Jan. 1, 1990.

Official Discusses Korean Nonaggression Accord

OW1412084991 Taipei CNA in English 0749 GMT
14 Dec 91

[Text] Taipei, Dec. 14 (CNA)—The signing of a non-aggression accord between South and North Korea has cut Seoul's pressing need to establish formal relations with Communist China, a ranking Foreign Ministry official said Friday.

Lin Sui-chi, director of the ministry's East Asian and Pacific Affairs Department, was commenting on the signing of a historic accord on reconciliation between the rival Koreas Friday in Seoul.

Lin pointed out that one major reason behind Seoul's eagerness to forge ties with Peking is to check Pyongyang's expansionism. South Korea, a longtime ally of the Republic of China [ROC], maintains diplomatic relations with Taipei.

Since the new rapprochement treaty is expected to help ease tensions and enmity in the world's last Cold War theater, Lin said he was convinced that South Korea would no longer need to hasten its efforts to develop ties with Communist China.

Lin also clarified an earlier report that South Korean President No Tae-u hoped to establish formal ties with Peking before his term of office ends in February 1993.

A follow-up check by the ROC Embassy in Seoul found the report wrong. Lin explained. What No had actually said was that South Korea is not anxious to set up diplomatic relations with Peking, but, if formal Seoul-Peking ties were to be established during his tenure, No said he would visit Mainland China.

Commenting on the non-aggression treaty between the rival Koreas, Ma Ying-jeou, vice chairman of the Mainland Affairs Council, observed that Taipei cannot follow Seoul's model in handling relations with Mainland China.

Ma pointed out that the Korean peninsula was divided because of the Second World War, while Taiwan was separated from Mainland China due to communist rebellion.

Seoul's "nord politik" (northern policy) also differs with Taipei's policy towards Mainland China, Ma noted. During the past decade, Ma recalled, civilian cultural and commercial exchanges across the Taiwan Strait have grown substantially, while Seoul and Pyongyang have been more interested in nurturing official ties.

"We may refer to the Korean experience, but the Korean model may not be suitable for handling cross-strait relations," Ma explained. "We have our own ways and means to deal with our own problems," he concluded.

A high-ranking Council for Economic Planning and Development official cautioned that the Seoul-Pyongyang rapprochement may in the long run adversely affect Taiwan's competitiveness in world markets.

The official said that the North and South Korean economies are complementary. While Pyongyang has rich natural resources, Seoul has technical and marketing expertise. If the two cooperate closely, he said, South Korea's competitive edge will be greatly enhanced. Seoul has been one of Taipei's strongest competitors in world markets.

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